

The Global Newspaper
 Edited and Published
 in Paris
 Printed simultaneously in Paris,
 London, Zurich, Hong Kong,
 Singapore, The Hague, Marseille,
 New York, Rome, Tokyo, Frankfurt.

HERALD INTERNATIONAL Tribune

Published With The New York Times and The Washington Post

No. 33,523 49/90

LONDON, THURSDAY, DECEMBER 6, 1990

ESTABLISHED 1887

Soviet Food Shortage: Shelves Aren't Quite as Bare as They Seem

By Bill Keller
 New York Times Service
MOSCOW — In the Siberian city of Tomsk last week, 60 customers lined up in the cold for a chance to buy soup bones. Across town, the Tomsk electric bulb factory was handing its workers hefty rations of fresh pork from the plant's private pig farm.

In the Arctic port of Murmansk, the monthly sausage ration is 12 ounces (360 grams) a person. Yet in the Estonian capital, Tallinn, the delicacies on sale without restriction at a typical state store included three types of cold cuts or sausage, one made from venison.

In Moscow, the authorities bought potatoes from Poland and eastern Germany to get the city through a lean winter, but in the Byelorussian city of Vitebsk, Anna Ryklevskaya feels secure about her family's potato supply. Her hoard includes 500 pounds of them.

"We aren't eating less food these days, but we are buying more for the future, two or

three times more," said Mrs. Ryklevskaya, 29, who works in a Vitebsk shoe factory.

As the Soviet Union braces for winter, a survey conducted for The New York Times in 16 cities across the Soviet Union confirms that almost everywhere the food situation has deteriorated from the level of a year ago, in some cases drastically.

But the survey also shows that the bare shelves of Moscow's state-run grocery stores — an image now vivid in the minds of Westerners — tell an incomplete story.

These were among the conclusions of the survey:

- While the state stores in many cities are indeed close to empty, consumers have alternative sources of food. They include high-priced farmers' markets brimming with meat and produce, subsidized meals and food packets provided at workplaces, and that ubiquitous standby of the Soviet economy, personal connections.
- In the government stores, where prices are controlled, the situation varies dramati-

cally from city to city, reflecting the differing economic policies and traditions of the regions. The worst decline in the last year has been in cities like Moscow and Leningrad, which were formerly showcases of relatively widely available food, and in military-industrial centers that once got priority treatment from the central distribution system.

• So far there is no sign of widespread hunger. But consumers in the worst-hit cities say they have changed their habits. Many are cutting back on meat and dairy products. They are spending more hours each week foraging for groceries, often neglecting their jobs to stand in line. They are hoarding more for winter.

• Anxiety induced by empty government stores has a powerful political dimension. It has made many people more hostile to the market economy that is supposed to save them from poverty, and more hospitable to centralized controls.

It is this political mood — the fear that a food panic could set back economic change

or topple President Mikhail S. Gorbachev — rather than any visible prospect of famine that has caused officials of Western nations to consider food relief for the Soviet Union.

From the point of view of these other nations, a Western diplomat said, the issue of food aid is not about saving starving Soviet citizens. It is about trying to save Mr. Gorbachev.

The Soviet consumer's standard of living has been conspicuously eroding for several years, as the centralized economy decays with nothing yet to replace it.

In the last year, although overall food production has not declined significantly, the breakdown of the food system has accelerated for several reasons. Farm regions and some whole republics have started hoarding produce for local consumption. Waves of panic buying by consumers fearful of inflation and shortages have swept the nation. An excess of rubles, printed to cover the government's deficits, has gobbled up scarce goods.

Widespread corruption in the food distribution chain has grown even worse.

The survey produced tales of locust-like consumption.

In Chelyabinsk, an industrial center in the Urals, a city retail trade official said that stores normally sold 20 tons of macaroni a day, but that in October the daily sales were 92 tons.

Volgograd has sold more than seven pounds of salt this year for every man, woman and child in the city of 1.5 million. A store in Vitebsk, a city of 335,000 people, got a shipment of matches and sold 29,500 boxes in a day and a half.

Stores no longer bother to unload their deliveries. They sell from the back of the trucks.

"Last year there was no panic buying of basic goods," said Lyubov I. Tauskanova, chief of the Tomsk city trade department. But

See SOVIETS, Page 2

Baker Doubts Hussein Will Be Swayed By Sanctions

Embargo Won't Impose 'High Enough Cost' to Force Retreat, He Says

By David Hoffman
 Washington Post Service
WASHINGTON — Secretary of State James A. Baker 3d told Congress on Wednesday that he doubted economic sanctions would force President Saddam Hussein to leave Kuwait any time soon, but leading Democrats implored him to give sanctions more time to work before resorting to military action.

Mr. Baker told the Senate Foreign Relations Committee that he was "personally very pessimistic" that the sanctions would change Mr. Hussein's behavior. This conclusion, he said, "is shared by our recent intelligence estimates."

If military force is needed, Mr. Baker said, "it will be used suddenly, massively and decisively."

The State Department, meanwhile, announced that Iraq had agreed to President George Bush's proposal for an exchange of visits by foreign ministers. Officials said they did not yet have details about when Foreign

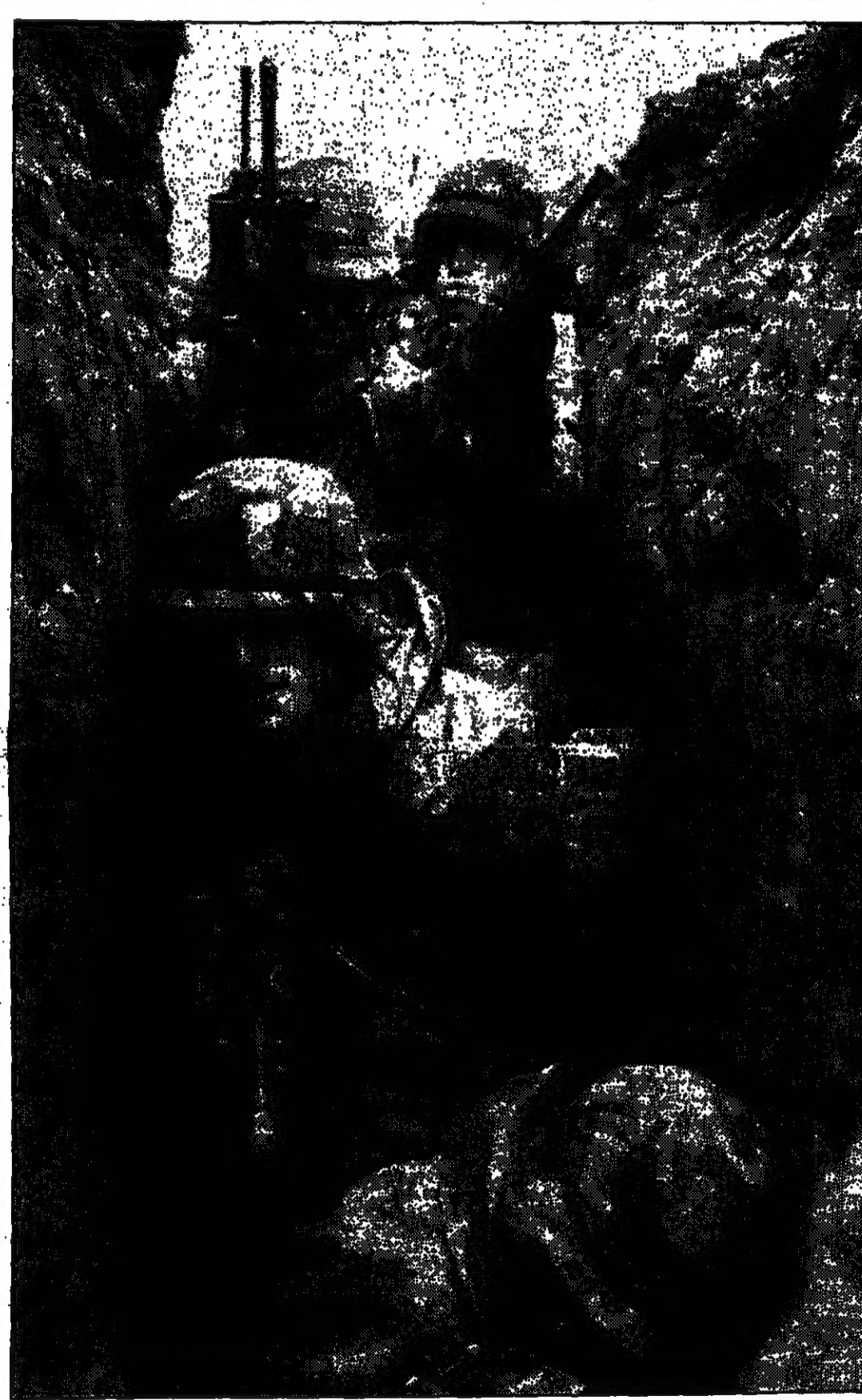
GATT Chief Gives the EC A Deadline

Europeans Blame U.S. For Breakdown in Talks

By Stuart Auerbach
 Washington Post Service
BRUSSELS — A crucial round of global trade talks turned into a cat-and-dog fight late Wednesday, with the chairman of 107-nation negotiations demanding that the European Community offer a new plan to cut its farm subsidies by noon Thursday and the Europeans blaming the United States for the deadlock.

"For all practical purposes the Uruguay Round is dead in the water at this time, and there is very little chance of revival," said the Australian trade minister, Neal Blewett.

He as well as the Brazilian delegate, Rubens Ricupero, representing a group of developing



U.S. soldiers practicing trench warfare in Aschaffenburg, Germany, in preparation for deployment to the Gulf.

EC Seeks Dialogue Of Its Own on Crisis

By William Drozdiak
 Washington Post Service
PARIS — The European allies, seeking to become more closely involved in diplomatic efforts to find a peaceful resolution to the Gulf crisis, are proposing starting their own dialogue with Baghdad at the foreign minister level.

They also are urging that an international conference on the Middle East be held as soon as possible after Iraq leaves Kuwait and frees all hostages.

The European initiatives, coming only days after President George Bush stunned many allies by offering to meet with the Iraqi foreign minister, Tariq Aziz, in Washington and to send Secretary of State James A. Baker 3d to Baghdad, are designed to persuade Iraq that war will erupt unless it withdraws fully from Kuwait and releases all foreign captives.

But diplomats said the planned contacts will also promise rapid "post-crisis" moves to resolve other Middle Eastern disputes, such as the Israeli-Palestinian problem and Syria's presence in Lebanon, so that President Saddam Hussein of Iraq will not feel cornered.

The 12 foreign ministers of the European Community countries, meeting in Brussels on Tuesday, agreed to ask Mr. Aziz to meet in Rome next week with Foreign Min-

ister Gianni De Michelis of Italy after Mr. Aziz meets with Mr. Bush in Washington.

In addition, Foreign Minister Roland Dumas of France said he was prepared to travel to Baghdad after Mr. Baker goes there sometime before Jan. 15. Hans-Dietrich Genscher, foreign minister of Germany, may also visit Iraq in Mr. Baker's wake.

Diplomatic sources said that despite firm promises from the allies that such contacts will only reinforce demands that Iraq must abide by all United Nations resolutions, there is the risk that Iraq will attempt to manipulate the separate intermediaries and try to buy time by dispensing different concessions or messages.

But the sources added that the UN deadline of Jan. 15 for an Iraqi withdrawal would restrict Baghdad's room to maneuver.

European governments, meanwhile, are increasingly emphasizing the need to think about a longer-term settlement of the Middle Eastern conflicts that perpetuate instability in the region. Mr. Dumas said an international conference would become "indispensable" after the Gulf crisis was resolved and that "a lot of countries are thinking that."

See ALLIES, Page 6

Questions and Answers

Why the men in the street should be concerned about the outcome of the Uruguay Round of trade talks. Page 6.

countries, attributed the stalemate to the EC refusal to reduce the \$12 billion it spends annually to help its farmers sell in foreign markets.

The talks to liberalize free trade rules, held under the auspices of the General Agreement on Tariffs and Trade, are called the Uruguay Round because they started in that country in 1986.

In an effort to break the deadlock, the chairman of the negotiations, Hector Gros-Bespil, the Uruguayan foreign minister, called "for some new approach" from the 12-nation EC on the agriculture issue by noon Thursday.

An EC spokesman, Nicolas Wegter, complained that this amounted to an ultimatum.

Meanwhile, senior U.S. officials, who pressed to get the talks started in the hopes that a successful conclusion would spur global economic growth, said they were prepared to walk away without a deal.

"We are really discussing how we are going to walk out, suspend the talks, and when we're going to do it," a U.S. official said.

The European Community on Wednesday had already started apportioning blame for the failure of the talks.

"The Americans are not serious in the negotiations," said John Cooney, an EC spokesman. "The Community feels that the tide is turning in its favor, and the United States is isolated tonight."

Mr. Wegter, another EC spokesman, said the Europeans would stick to their previous offer on farm trade, which the United States and at least a dozen other nations have called unacceptable.

See GATT, Page 6

Powell Reassures U.K. Of U.S. Resolve in Gulf

By Craig R. Whitney
 New York Times Service
LONDON — General Colin L. Powell, chairman of the U.S. Joint Chiefs of Staff, told America's strongest European supporters in the Gulf crisis Wednesday that President George Bush, the U.S. Congress, and public opinion had not lost their nerve.

"The only acceptable outcome is total withdrawal of Iraqi forces from all of Kuwait," he told a group of generals, scholars and policymakers, assuring them that war, if it came, would be "as quick and decisive as possible."

Seeking to reassure British officials about American resolve without creating the impression that the United States was spilling for a fight, General Powell said, "If Sad-

dam Hussein withdraws peacefully, then we will have achieved our objective with the restoration of the legitimate government of Kuwait.

"The American people don't want war, and therefore there's an element of anxiety," he said of the debate in Congress and the public at large over how long economic sanctions against Iraq should be given to work. "What you hear in Congress right now are concerns about when you should declare that sanctions haven't worked. The issue is time."

He spoke after lunch to the Royal United Services Institute for Defense Studies at Banquet House, then took questions.

How long Prime Minister John Major thinks that sanctions should

See GENERAL, Page 6

Klosk

Bush Hails Argentina For Ending Rebellion

BUENOS AIRES (AP) — President George Bush saluted President Carlos Saul Menem on Wednesday for quashing a military rebellion, saying it demonstrated that "the days of violence and dictatorship" in Argentina were over.

He also praised the Argentine president for sending two warships to the Gulf to help enforce the United Nations sanctions against Iraq, and for the tough free-market economic changes that Mr. Menem has instituted to cure hyperinflation.

Related article, Page 3.

General News

The Catholic Church in Poland is supporting Lech Walesa's presidential bid. Page 2.

A Conservative attempt to put a black in Parliament caused a row in Britain. Page 2.

Ronald Reagan is still star in Britain. Page 2.

The U.S. Navy disciplined three officers for mismanaging a bomber. Page 3.

Forgetfulness helps as Beijing prepares to try major dissidents from 1989 uprising. Page 3.

The Dollar

DM 1.489
Yen 133.585
FF 5.078

Science

U.S. researchers are making a serious effort to explain chronic fatigue syndrome. Page 8.

Business/Finance

The Fed found U.S. economic conditions deteriorating. Page 9.

Iraqi War Machine Must Not Survive Gulf Crisis, Israel Tells U.S.

By Jackson Diehl
 Washington Post Service
JERUSALEM — Israel has again warned the Bush administration against allowing Iraqi military power to remain intact through a peaceful solution to the Gulf crisis and hinted that in the event of such a settlement it might take preemptive action of its own against Iraq.

In one of the strongest assertions of Israel's interest in the U.S.-Iraqi standoff so far, Foreign Minister David Levy summoned the U.S. ambassador to Israel, William A. Brown, to a private meeting Tuesday and told him that "Israel expects the United States to stand by the commitments it took upon itself" after Iraq's invasion of Kuwait, a senior official said.

In Israel's view, Mr. Levy said, the principal U.S. commitments had been to bring about the withdrawal of Iraq from Kuwait and to "remove the military threat," according to the account provided by officials Wednesday. They said Mr. Levy had told Mr. Brown that Israel had agreed to adopt its "low profile" policy during the crisis largely because of this perception.

Speaking before parliament, Mr. Levy said that "Israel is not advising the U.S. to start a war, and certainly it is not threatening Iraq."

But Israeli radio quoted him as saying that "Israel is taking nothing for granted and will make its own decisions."

Mr. Levy, referring to President Saddam Hussein of Iraq, said, "If anyone thinks that through some maneuver in the name of peace he will be able to continue to threaten with the aim of surprising Israel, he will find Israel ready, always, with its might, to destroy his security, to hurt him until he is sorry and regrets his action."

The foreign minister's public and private statements reflected the concern that has spread through the government of Prime Minister Yitzhak Shamir since the decision by President George Bush to open a dialogue with Mr. Hussein. On Sunday, Mr. Levy revealed that he had received a message from Secretary of State James A. Baker 3d reassuring Israel that the overture to Iraq did not mean a change in U.S. policy in the Gulf.

Even if Mr. Hussein fails in his announced

See ISRAEL, Page 6

Reporter's Outer Space Notes: Head Floating; Stomach, Too; Could Use a Smoke

By T.R. Reid
 Washington Post Service
TOKYO — For a reporter who has just achieved a scoop of cosmic dimensions — and run up what must be the biggest expense voucher in reportorial history — Toyohiro Akiyama is doing a lot of complaining on the air.

Mr. Akiyama, a political reporter for the TBS television network here, has become the first journalist to report live from outer space, joining a Russian crew this week on the Soyuz TM-11 spacecraft for an eight-day trip to the Soviet space station Mir.

TBS, searching for a suitable way to celebrate its 40th year on the air, paid the Soviets about \$12 million for Mr. Akiyama's round-trip fare.

For the Soviets, the tie-in with Japanese television offered a chance to move forward on commercializing the Russian space program. Indeed, the Soyuz rocket was so commercialized it looked like a flying billboard when it blasted off Sunday. Its nose cone and fins were festooned with the logos of TBS and other Japanese corporate sponsors, including a toothpaste company and a producer of paper diapers.

For the TBS network, Mr. Akiyama's story is part of a desperate effort to win audience share in Japan's dog-eat-dog television ratings battle. The investment has evidently paid off. Mr. Akiyama, the first Japanese to ride a rocket ship, has become a national obsession, and his network's ratings have skyrocketed as people tune in each night to find out how he is doing.

In a country where everybody needs a title, TBS has given Mr. Akiyama a great one: "Outer Space Correspondent." Still, the network is billing Mr. Akiyama's big story as "an ordinary guy goes to outer space," and that billing captures the flavor of the journalist's daily reports.

In direct contrast to the traditional astronaut assurance that "everything is A-O.K.," Mr. Akiyama, an amiable 48-year-old who is a four-pack-a-day smoker when not in orbit, seems to have a new complaint every day.

He has no appetite. He needs a smoke. He is dizzy because all the blood settled in his head. The lift-off felt like "riding a dump truck down a rocky road." It is hard work going to the bathroom without gravity to help. His stomach feels like it is standing straight up. His head feels like it is floating away. He badly needs a smoke.

One night TBS showed Mr. Akiyama's wife, Kyoko, at the Baikonur space center, speaking by radio to her husband in the distant space ship. "Are you O.K., dear?" she asked.

"I am definitely not O.K.," he replied, adding that he had a bad case of space sickness.

Judging from the footage Mr. Akiyama is sending back to Earth through his compact television camera, he seems to know his way around the Soyuz capsule, and he has helped the Soviet crew at important moments, such as the successful docking Tuesday with the Mir space station.

All that reflects the familiar Japanese commitment to long-term investment. Mr. Akiyama's network approached the Soviets and started planning for this trip more than two years ago.

TBS says it has spent \$23 million on the project, in addition to the money paid to the Soviets for the ride. The network says it will recoup some, but not all, of its costs through deals with nine sponsors. The sponsors got the right to put their name on the rocket, and also get commercial time during Mr. Akiyama's nightly broadcasts from on high.

Mr. Akiyama, who was his network's Washington correspondent before he landed the outer space beat, has spent 14 months in

the Soviet Union training for this week. TBS has 120 people, including its anchor staff, in place at the Soviet cosmodrome. To get good shots of the blast-off on Sunday, it put a remote camera so close to the rocket that flames melted the device. The network has also set up relay stations around the world to make sure it has the clearest possible connection to Mr. Akiyama each evening for its news broadcast.

The network has been showing space-related specials for more than a year. It has scheduled 35 prime-time hours of Soyuz TM-11 broadcasting this week. Having bought exclusive rights to broadcasts from the Soyuz, TBS is permitting its five major competitors in Japan to use three minutes of tape each night.

In its publicity materials, TBS says the big investment of money and time is designed to "contribute to Japan's development of

See COSMO, Page 2

WORLD BRIEFS

New York Times Service

Mr. Gebert said the church's longstanding refusal to get involved with political parties reflected an understanding of how best to defuse any anti-clerical feelings. "Those who wouldn't dare challenge the church frontally would have no qualms about taking on a political party," he said.

BRUSSELS (Reuters)—NATO's European members agreed Wednesday they should shoulder more of the military burden in the post-Cold War era and invited France to take part in plans to set up multinational units.

France, which left NATO's military structure in 1966 and has since pursued a fiercely independent line, has not been keen to take part, partly because it resents U.S. leadership of the alliance of 16 nations.

The German defense minister, Gerhard Stoltenberg, who was chairman of the meeting of 12 defense ministers, said there was broad support for setting up multinational units, including U.S. forces, in Europe. The North Atlantic Treaty Organization has previously relied on national forces, unified under a single command. But with U.S. forces in Europe, most likely to be sharply reduced as the Warsaw Pact crumbles, European nations will have to pool their dwindling military resources.

(Continued from page 1)

Many consumers say they have turned back on meat and butter, or dropped inviting guests for that most characteristic of Russian customs of entertainment — the vigorous conversation around a kitchen table laden with tea or vodka.



But rural poverty has grown acute in recent years in the Appalachian-style villages of northern Russia and Siberia, where younger

By Glenn Frankel

good friend" and "a remarkable lady whose achievements will be appreciated more and more as time goes on."

given free. It was built as a personal tribute to a great university and a country whose ideals and traditions Mr. Reagan deeply admires.

Mr. Herrera escaped from a nearby island prison aboard a private helicopter on Tuesday afternoon and took over police headquarters early Wednesday. He said his intention was not to overthrow the government, but to gain more respect for the police.

NEW YORK: Partly cloudy. Temp. 8-14 (3-20). MADRID: Fair. Temp. 12-21 (5-32).
ROME: Showers. Temp. 18-3 (50-25). TEL AVIV: Not Available. ZURICH: Cloudy. Temp.
1-5 (34-21). BANGKOK: Fair. Temp. 28-13 (82-55). HONG KONG: Cloudy. Temp.
1-15 (27-59). MANILA: Cloudy. Temp. 28-21 (82-73). SEOUL: Cloudy. Temp.
22-36 (72-96). SINGAPORE: Showers. Temp. 28-24 (82-75). TOKYO: Fair. Temp. 17-24
(63-76).

(Continued from page 1)

Chief Justice

The Associated Press

rare unity. As the protests went on, even senior bureaucrats and members of General Ershad's party deserted him.

Washington Post Service

"Just as John Major was relishing his success in putting forward the Tories as the party of a

—GLENN FRANKEL

NEW YORK: Partly cloudy. Temp. 8-14 (3-20). MADRID: Fair. Temp. 12-21 (5-32).
ROME: Showers. Temp. 18-3 (50-25). TEL AVIV: Not Available. ZURICH: Cloudy. Temp.
1-5 (34-21). BANGKOK: Fair. Temp. 28-13 (82-55). HONG KONG: Cloudy. Temp.
1-15 (27-59). MANILA: Cloudy. Temp. 28-21 (82-73). SEOUL: Cloudy. Temp.
22-36 (72-96). SINGAPORE: Showers. Temp. 28-24 (82-75). TOKYO: Fair. Temp. 17-24
(63-76).

— 4 (34—28). BANGKOK: Fair. Temp. 28—13 (82—59).
— 15 (72—59). MANILA: Cloudy. Temp. 28—21 (82—73).
— 32—36). SINGAPORE: Showers. Temp. 28—24 (82—75).
— 43—46). TOKYO: Fair. Temp. 17—8

Navy Disciplines 3 For Mismanaging New U.S. Bomber

By Rick Atkinson and Barton Gellman

Washington Post Service

WASHINGTON — The U.S. Navy has disciplined three officers for mismanaging the service's top-priority aircraft program, the A-12 Stealth bomber.

The extraordinary action by Navy Secretary H. Lawrence Garrett III came as the Pentagon released a highly critical internal report on the Stealth bomber program.

The report documents "errors of judgment and failures of supervision" in the government's effort to supervise the program, which is at least \$1.3 billion over budget and 18 months behind schedule.

The carrier-based A-12 is scheduled to begin joining the fleet in the mid-1990s as a replacement for the A-6 attack bomber, which is now nearly three decades old.

Each A-12 may cost \$100 million, a Pentagon official said Tuesday. The price tag is likely to fuel the debate over whether the navy can afford to outfit its 14 aircraft carriers with a new generation of airplanes.

Carriers typically carry 75 to 85 aircraft designed for different missions, such as hunting submarines or protecting the fleet against enemy aircraft. Attack bombers, like the A-12 and A-6, are used to destroy ground targets or enemy ships. The A-6 is deployed in substantial numbers in the Gulf.

Like the U.S. Air Force's B-2 Stealth bomber and F-117 Stealth fighter, the A-12 is supposed to incorporate sophisticated "low observable" features that make it difficult for enemy radar to detect.

The internal navy report issued Tuesday criticized what it referred to as the "culture" of Defense Department acquisitions, in which obtaining funds and sustaining an ongoing program become more important than identifying and fixing problems.

In the A-12 program, excessively optimistic cost and schedule estimates by the contracting team of General Dynamics Corp. and McDonnell Douglas Corp. were not challenged by navy supervisors, the report said.

Senior Pentagon officials, including Defense Secretary Dick Cheney, were allowed to believe that the program was "on schedule, on cost and on track," according to the report, when in fact it was late, well above cost and performing poorly.

Vice Admiral Richard C. Gentz, commander of the Naval Air Systems Command, is being forced to retire by Feb. 1. Rear Admiral John F. Calvert, the program executive officer for tactical aircraft, and Captain Lawrence G. Elberfeld, the program manager, have both been removed from the program and formally censured, according to navy officials.

A companion report by the Pentagon inspector general noted that General Dynamics required government inspectors last winter to relinquish their notes on the basis of "purported security considerations." One set of notes was lost.

The inspector general questioned "any procedure by which a contractor obtains access to, and control over, the work product of government personnel engaged in oversight duties."

In April, Mr. Cheney announced after a review of the program that A-12 development would continue, although the navy's original request for 854 aircraft was trimmed to 620. The estimated cost of the program at that time, according to a Pentagon source, was \$52 billion.

But several weeks later, McDonnell Douglas and General Dynamics informed the navy that the plane was behind schedule, unable to perform as required and so far over the supposedly fixed-price contract that the contractors could not absorb the costs.

The fate of the A-12 is to be considered Friday by the Defense Acquisition Board, a high-level Pentagon panel that oversees major projects. A Pentagon official said he did not expect the project to be scrapped, but he predicted that full-scale production may be delayed "until after the plane, and technology prove themselves."

Representative Andy Ireland, Republican of Florida, called for congressional hearings into the matter.

The inspector general also sharply criticized John A. Betti, undersecretary of defense for acquisition, for relying too much on the contractors' assurances and for dismissing warnings from lower-level Pentagon officials.

A Defense Department spokesman said Mr. Betti would have no comment. Mr. Cheney, according to a statement issued by his office, has requested further recommendations for corrective action when he returns from Europe later this week.

Unless fundamental changes are made in the acquisition "culture," the report warned, "the failures evidenced in this report can be anticipated to occur again in the same or similar form."

The Money Isn't There, U.S. Finds

By Robert Pear

New York Times Service

WASHINGTON — Bush administration officials say they have discovered that less money will be available for new domestic spending in the 1992 fiscal year than White House and congressional budget negotiators had expected.

In fact, administration officials said Tuesday, spending limits set in the budget law were slightly lower than the amount needed to continue the services at existing levels, and hardly any money would be available for domestic initiatives that had been anticipated.

The discovery reflected the fact that budget procedures and spending limits were set in an atmosphere of confusion at the end of October.

The negotiators were juggling large sums of money, and there was apparently some kind of miscalculation, the reason for which is not yet clear.

Another factor is that Congress was at the same time adding money to the budget for the 1991 fiscal year, which began Oct. 1.

As a result, there is less room for growth in the following fiscal year than the negotiators thought they were allowing.

So far, there has been no finger-pointing, but budget officials and congressional aides said that could occur later.

The fact that the budget agreement's limits on domestic spending are tighter than anticipated came to light in a memorandum sent to cabinet officers by President George Bush's budget director, Richard G. Darman.

In responding to their budget requests for 1992, he said they had not caught up with "the new world of firm, fixed (and lower) domestic discretionary spending caps," or limits.

He also scolded them, saying that they had submitted excessive budget requests for 1992. He said the cabinet officers had displayed "near-universal expectations" that cuts would come in someone else's programs.

Mr. Darman and congressional leaders set the domestic spending cap at \$191.3 billion for 1992. They thought they were allowing a cushion for additional spending, because the 1992 limit was nearly \$30 billion more than the amount spent in 1990. But a late burst of appropriations pushed the 1991 spending close enough to the limit to use up most of the cushion.

WASHINGTON — For the first time since the student uprising last year, the World Bank has approved a loan to China that goes beyond meeting basic human needs.

The approval of the \$14.3 million loan marked the first time in more than a year that the Bush administration did not object to such assistance to China.

The bank's approval of the loan for technological improvements in rural industry had been expected, but it was uncertain whether the United States would vote against it.

Such a move would have been largely symbolic, because both the EC and Japan have resumed normal economic relations with China and both supported the loan.

President George Bush met Friday, for the first time since the crackdown, with Foreign Minister Qian Qichen. The meeting occurred a day after China abstained from, rather than opposed, a vote by the UN Security Council authorizing the use of force to expel Iraq from Kuwait.

The package approved Tuesday consists of a \$30 million loan and \$64.3 million in credit. The agency's Asian affairs department said that other loans by the bank to China were being prepared.

Before the crackdown on the democracy movement in June 1989, China had been receiving World Bank loans of more than \$2 billion annually. Largely at the insistence of the United States, all loans were initially blocked as part of a sanctions package.

WASHINGTON — The so-called Keating Five senators are attacking the regulators' critical evaluation of Lincoln.

Mr. Black, a lawyer with the Federal Home Loan Bank Board, said the regulators had found massive problems at the savings and loan, including the use of an accounting scheme to produce paper profits and send big dividends to a parent shell company.

Regulators had also found evidence of "file-stuffing," or the insertion of phony documents in an attempt to support millions of dollars in loans, for the benefit of examiners.

"We call it a scam," Mr. Black said. "I think most people do."

"This is an institution that is probably the most institution in America, and instead of people trying to help bring it under control, five U.S. senators were pushing us in the opposite direction," he said.

Mr. DeConcini asked the regulators to waive a rule that would have limited Lincoln's ability to make direct investments, and would have the effect of exposing the thrift to direct regulatory control.

"We had found a massive violation of a rule that was vital to safety and soundness, and we were being asked not to take any enforcement action and to allow that violation to continue," Mr. Black said.

"I felt it was intimidating and I felt Charles Keating had clearly set up the meetings to be intimidating," Mr. Black said.

Mr. Black generally supported the earlier testimony of two other regulators that Mr. DeConcini sought to have the regulators waive the rule limiting direct investments and used the term "we," suggesting he was speaking for the five senators.

Hospitals in U.S. Faulted on AIDS

The Associated Press

CHICAGO — Nearly one in four U.S. hospitals do not require patients' consent before testing for AIDS, and one in four do not require a patient's consent before testing for AIDS, according to a study published Wednesday.

The study of 561 hospitals, reported in the Journal of the American Medical Association, also concluded that two-thirds of the hospitals in the United States have admitted at least one patient with acquired immune deficiency syndrome.



MASSACHUSETTS DROWNING — A woman who witnesses said seemed to walk voluntarily into the ocean drowned off Plum Island, Massachusetts. Photographers were present because of very high tides and heavy seas along the New England coastline.

In Argentina, Disgust With Army Revolt

By Shirley Christian

New York Times Service

BUENOS AIRES — As the last of the rebels were being loaded onto trucks after giving up following heavy fighting in the revolt this week by army dissidents, a nearby group of civilians began to chant, "Farewell, farewell!" meaning that they should be lined up before a wall and shot.

Such disgust with the fourth army rebellion in less than four years was almost generalized across Argentine society as people endorsed the tough handling of the uprising by President Carlos Menem and fretted about how the revolt might damage Argentina's standing with the world at large.

"My husband, after he heard about the rebellion yesterday, woke me up saying we were a fourth-class republic — worse than a banana republic," said a woman crossing the Plaza de Mayo in front of the presidential palace, a comparison that could not be resisted by many commentators.

President George Bush arrived Wednesday on the first visit by a U.S. president since Dwight D. Eisenhower, and the Menem government had been eager to show a nation leaving behind the political and military antics of the past and worthy of mature trade and investment relations with the leading nations of the world.

While some government officials worried that the rebellion would represent a step backward from that goal, Mr. Menem said Argentina would emerge "fortified at the international level" because of the determination with which he crushed the rebels.

Hours before Mr. Bush arrived, two bombs exploded outside branches of the U.S.-owned Chase Manhattan Bank in Buenos Aires but caused no injuries and only slight damage to buildings. No one claimed responsibility.

The Interior Ministry said 21 people — five civilians and 16 loyalist and rebel soldiers — were killed in the long day of fighting that ensued after about 300 men occupied the army headquarters, three other army installations and a small building of the coast guard headquarters before dawn Monday. There was also fighting in the province of Entre Rios, which is just north of Buenos Aires, as loyalist troops attacked a rebel tank column moving toward the capital.

Unlike what occurred in the three military uprisings faced by Mr. Menem's predecessor, Raúl Alfonsín, this time the bulk of the army and the leadership demonstrated what appeared to be strong loyalty to the government by quickly using firepower against their rebellious comrades.

The newspaper La Nación reported that the army chief of staff, Lieutenant General Martín Bonnet, had told his generals Monday that the rebels must give up "in their underwear, with their hands behind their neck, and barefoot."

In the past, loyalist troops had waffled and delayed and fired hardly a shot at politicians negotiating. To all appearances, there were no deals this time.

It was also notable that the civilian population showed no sympathy for the rebel demands. In the previous uprisings, a key demand was the halting of efforts to prosecute military men for political killings committed during the

"Dirty War" against leftists in the mid-1970s. That demand found many civilian sympathizers from the political right and center-right.

But Mr. Alfonsín subsequently halted such trials, and he and Mr. Menem pardoned or annulled most of those accused, so that was no longer an issue.

The rebel demands this time were largely related to the impoverished state of the armed forces and the status of the dissidents within the ranks. They demanded, for example, that General Bonnet be replaced as chief of staff by Mohammed Ali Seineldin, a retired colonel who led the last uprising two years ago. Mr. Seineldin is now under 60 days' detention for recent public criticism of the government.

Mr. Menem ordered summary proceedings against the rebels and hinted that he might permit the death penalty for the leaders, but other government officials privately played down that possibility.

Foreign Minister Domingo Cavallo said that events such as those on Monday "always have a negative effect" on international public opinion, but he said the government's rapid reaction had served to "mitigate" that effect.

Argentina, which is emerging from a long period of economic isolation and of cool relations with the United States, is looking to the Bush visit to help in its efforts to rebuild and restructure the economy with foreign investments and loans.

Mr. Menem would like to use what will be his fourth meeting with Mr. Bush to seek better terms for Argentina's nearly \$65 billion foreign debt and open new markets for Argentine agricultural exports.

Pilot in Detroit Crash 'Not Sure' Where He Was

The Associated Press

ROMULUS, Michigan — A DC-9 pilot complained that he was lost in the fog moments before his plane collided with another jetliner, killing eight people, according to a transcript obtained by the NBC television network.

U.S. government investigators, although refusing to confirm the precise conversation between the pilot and an air-traffic controller, said Tuesday that the DC-9 crew had had trouble finding its way just before the collision Monday on the ground at the Detroit airport.

Also, Northwest Airlines said that the captain was making his first flight without another pilot observing since his return last week from a five-year medical leave, and that the plane's first officer had joined the airline last March.

Twenty-four people were injured, two critically, in the collision between the DC-9 and a Boeing 727, both operated by Northwest. The 727 was racing down a foggy runway toward takeoff when the DC-9 turned in front of it.

NBC reported that it had obtained a partial transcript of a conversation between the DC-9 pilot,

William Lovelace, and a controller. According to the transcript, the controller asked Captain Lovelace to verify the position of the DC-9, which was supposed to be heading toward a runway for takeoff.

"Uh, we're not sure," he replied. "It's so foggy out here, we're completely stuck here. Looks like we're on 21-Center here."

"If you're on 21-Center, exit that runway immediately, sir," the controller said. Moments later the planes collided.

A new ground radar system to be installed at airports serving Detroit and 29 other cities will help controllers prevent accidents like the one at the Detroit airport, a U.S. government official said.

The new system is designed to track vehicle and aircraft movement on runways, according to the official, Robert Bartanowicz, supervisor of the Federal Aviation Administration Academy in Oklahoma City.

"It gives us a video map of the airport on the radar screen," Mr. Bartanowicz said.

Detroit, which does not have ground radar, is among the first 10 cities scheduled to receive the system sometime after March, he said.

Regulator Says 'Keating 5' Were Intimidating

The Associated Press

WASHINGTON — The so-called Keating Five senators are attacking the regulators' critical evaluation of Lincoln.

Mr. Black, a lawyer with the Federal Home Loan Bank Board, said the regulators had found massive problems at the savings and loan, including the use of an accounting scheme to produce paper profits and send big dividends to a parent shell company.

Regulators had also found evidence of "file-stuffing," or the insertion of phony documents in an attempt to support millions of dollars in loans, for the benefit of examiners.

"We call it a scam," Mr. Black said. "I think most people do."

"This is an institution that is probably the most institution in America, and instead of people trying to help bring it under control, five U.S. senators were pushing us in the opposite direction," he said.

Mr. DeConcini asked the regulators to waive a rule that would have limited Lincoln's ability to make direct investments, and would have the effect of exposing the thrift to direct regulatory control.

"We had found a massive viola-

tion of a rule that was vital to safety and soundness, and we were being asked not to take any enforcement action and to allow that violation to continue," Mr. Black said.

"I felt it was intimidating and I felt Charles Keating had clearly set up the meetings to be intimidating," Mr. Black said.

Mr. Black generally supported the earlier testimony of two other regulators that Mr. DeConcini sought to have the regulators waive the rule limiting direct investments and used the term "we," suggesting he was speaking for the five senators.

Nelson Mandela managed to inspire many South Africans while he was in prison, and dissidents in Eastern Europe and the Soviet Union kept alive the memories of many who were in labor camps. But Chinese intellectuals said that the tendency here has been to forget those who are locked away.

Many of the students involved in the 1989 movement had never heard of the leaders of the Democracy Spring Movement a decade earlier — men like Xu Wenli and Wang Xizhe, who are serving 15- and 14-year sentences, respectively.

Fang Lizhi, the Chinese dissident now living in England, wrote in an essay this year about "the Chinese amnesia" — the tendency for society to forget and ignore past

Forgetfulness Helps As Beijing Prepares Trials of Dissidents

By Nicholas D. Kristof

New York Times Service

WUHAN, China — Perhaps what is most remarkable about Zhu Jianbin is not that he has spent the last nine years in prison for trying to promote democracy, but that he has been so totally forgotten in the labyrinth of China's penal system.

Mr. Zhu is evidence that repression sometimes works: for the authorities have locked him up without attracting significant criticism or tarnishing their image.

His very existence has been virtually obliterated, for most democracy advocates here and abroad have never heard of him, and even in this city where he worked and dreamed of democracy, people shake their heads and say they have never heard his name.

The Chinese leaders appear ready to go ahead soon with criminal trials of some major figures in the 1989 democracy movement, and the government may well believe — based on the evidence of Mr. Zhu and many others — that the harm to its image will be slight and transitory.

Beijing may well believe that a negligible setback is an acceptable price for making an example of some activists and frightening the rest into submission.

Hundreds, perhaps thousands, of people remain in Chinese prisons and labor camps for their involvement in the 1989 movement.

Last week, Beijing formally charged two editors of an economics journal, Wang Junhao and Chen Ziming, with counterrevolutionary crimes because of their participation in the movement. They and others are expected to face trial soon, with prison sentences of up to 15 years.

The result has been a flurry of foreign indignation — paralleling the burst of outrage a decade ago when China imprisoned the leaders of the 1978-79 Democracy Spring movement.

But that anger gradually dissipated, and only Wei Jingsheng is much remembered now, in China or abroad.

Mr. Wei, an electrician and essayist, is in the 12th year of a 15-year prison sentence. He is said to be in solitary confinement, with even guards ordered not to speak to him.

Mr. Zhu's case never attracted much attention, partly because he lived and worked in Wuhan, where there are no resident diplomats or foreign journalists. Now 35, Mr. Zhu was a worker at a major steel mill and the editor of a journal about democracy, "The Bell Tolls."

"We've been sending letters, but we've never heard anything," said Barbara Krasnoff, a member of a New York-based Amnesty International group that is interested in Mr. Zhu as a political prisoner. "We never found out if he has any family."

"It's very hard not to lose interest in a case," she added. "We're human, and if you don't hear anything from somebody for so many years he becomes almost fictional. Every once in a while we have to take out his picture and remember that this is a real person."

The way in which Mr. Zhu has been largely forgotten raises questions about the democracy movement in China.

Nelson Mandela managed to inspire many South Africans while he was in prison, and dissidents in Eastern Europe and the Soviet Union kept alive the memories of many who were in labor camps. But Chinese intellectuals said that the tendency here has been to forget those who are locked away.

Many of the students involved in the 1989 movement had never heard of the leaders of the Democracy Spring Movement a decade earlier — men like Xu Wenli and Wang Xizhe, who are serving 15- and 14-year sentences, respectively.

Fang Lizhi, the Chinese dissident now living in England, wrote in an essay this year about "the Chinese amnesia" — the tendency for society to forget and ignore past

repression — as a factor inhibiting the emergence of greater democracy in the country.

While Mr. Fang said that the communist "technique of forgetting history" was losing its effect with regard to the 1989 crackdown, there was no sign of greater interest in those who remain in prison for their efforts a decade ago to promote democracy.

■ **Congressman Dissatisfied**

A U.S. congressman expressed disappointment Wednesday in human rights discussions with officials, saying that China's prosecution of the dissidents of the pro-democracy movement raised serious concerns. The Associated Press reported from Beijing.

The upcoming trials raise questions that will not be overshadowed by the Gull crisis, said Robert G. Torricelli, Democrat of New Jersey. A member of the House Foreign Affairs Committee, Mr. Torricelli said he was disappointed by human rights discussions with Foreign Ministry officials.

Human rights will be the focus of U.S. discussions on China's most favored-nation trade status and on the lifting of sanctions imposed after the crackdown in June 1989 on protesters demanding democratic change, he said.

WASHINGTON — For the first time since the student uprising last year, the World Bank has approved a loan to China that goes beyond meeting basic human needs.

The approval of the \$14.3 million loan marked the first time in more than a year that the Bush administration did not object to such assistance to China.

The bank's approval of the loan for technological improvements in rural industry had been expected, but it was uncertain whether the United States would vote against it.

Such a move would have been largely symbolic, because both the EC and Japan have resumed normal economic relations with China and both supported the loan.

President George Bush met Friday, for the first time since the crackdown, with Foreign Minister Qian Qichen. The meeting occurred a day after China abstained from, rather than opposed, a vote by the UN Security Council authorizing the use of force to expel Iraq from Kuwait.

The package approved Tuesday consists of a \$30 million loan and \$64.3 million in credit. The agency's Asian affairs department said that other loans by the bank to China were being prepared.

Before the crackdown on the democracy movement in June 1989, China had been receiving World Bank loans of more than \$2 billion annually. Largely at the insistence of the United States, all loans were initially blocked as part of a sanctions package.

World Bank Widens Aid To Chinese

By Stephen Labaton

New York Times Service

WASHINGTON — For the first time since the student uprising last year, the World Bank has approved a loan to China that goes beyond meeting basic human needs.

The approval of the \$14.3 million loan marked the first time in more than a year that the Bush administration did not object to such assistance to China.

The bank's approval of the loan for technological improvements in rural industry had been expected, but it was uncertain whether the United States would vote against it.

Such a move would have been largely symbolic, because both the EC and Japan have resumed normal economic relations with China and both supported the loan.

President George Bush met Friday, for the first time since the crackdown, with Foreign Minister Qian Qichen. The meeting occurred a day after China abstained from, rather than opposed, a vote by the UN Security Council authorizing the use of force to expel Iraq from Kuwait.

The package approved Tuesday consists of a \$30 million loan and \$64.3 million in credit. The agency's Asian affairs department said that other loans by the bank to China were being prepared.

Before the crackdown on the democracy movement in June 1989, China had been receiving World Bank loans of more than \$2 billion annually. Largely at the insistence of the United States, all loans were initially blocked as part of a sanctions package.

WASHINGTON — The so-called Keating Five senators are attacking the regulators' critical evaluation of Lincoln.

Mr. Black, a lawyer with the Federal Home Loan Bank Board, said the regulators had found massive problems at the savings and loan, including the use of an accounting scheme to produce paper profits and send big dividends to a parent shell company.

Regulators had also found evidence of "file-stuffing," or the insertion of phony documents in an attempt to support millions of dollars in loans, for the benefit of examiners.

"We call it a scam," Mr. Black said. "I think most people do."

"This is an institution that is probably the most institution in America, and instead of people trying to help bring it under control, five U.S. senators were pushing us in the opposite direction," he said.

Mr. DeConcini asked the regulators to waive a rule that would have limited Lincoln's ability to make direct investments, and would have the effect of exposing the thrift to direct regulatory control.

"We had found a massive viola-

tion of a rule that was vital to safety and soundness, and we were being asked not to take any enforcement action and to allow that violation to continue," Mr. Black said.

"I felt it was intimidating and I felt Charles Keating had clearly set up the meetings to be intimidating," Mr. Black said.

Mr. Black generally supported the earlier testimony of two other regulators that Mr. DeConcini sought to have the regulators waive the rule limiting direct investments and used the term "we," suggesting he was speaking for the five senators.

Nelson Mandela managed to inspire many South Africans while he was in prison, and dissidents in Eastern Europe and the Soviet Union kept alive the memories of many who were in labor camps. But Chinese intellectuals said that the tendency here has been to forget those who are locked away.

Many of the students involved in the 1989 movement had never heard of the leaders of the Democracy Spring Movement a decade earlier — men like Xu Wenli and Wang Xizhe, who are serving 15- and 14-year sentences, respectively.

Fang Lizhi, the Chinese dissident now living in England, wrote in an essay this year about "the Chinese amnesia" — the tendency for society to forget and ignore past

European elegance in the heart of Taipei

The Hotel Royal Taipei Contemporary refinement and sophistication that's reminiscent of Old World charms. Along with uniquely personalized service that helps make a stay memorable. Experience it.

h tel royal taipei

37-1 Section 2 Chung Shan North Rd. Taipei 104, Taiwan

TEL: 2366-2366 (20 lines) • FAX: 2366-2366

nikko hotels international

For reservations, call your travel agent, the nearest LRT office, Asian Airlines office or Nikko Hotels International.

Toll free in U.S. 0800-282502, Toll free in France 08-02-30-00, Toll free in West Germany 0800-51537, Toll free in U.S. and Canada 1-800-NIKKO-US (645-6667), Hong Kong 739-4321, Tokyo 03-281-4321.

"MIDNIGHT BLUE REFLECTED IN A LIMPID SCULPTURE SIGNED BACCARAT"

VECTOR VASE

11, PL. DE LA MADELEINE, 75006 PARIS - 42 61 36 26

30 BIS, RUE DE PARADIS, 75010 PARIS - 47 70 64 30

Baccarat

BOTTEGA VENETA

roma: san sebastiano 18a - milano: via spiga 5
venezia: calle vallaresso 1337 - firenze: piazza ognissanti 3r
paris: 48, avenue victor hugo - madrid: zurbaran 16
wien: seilergasse 1

The Tiffany Tesoro Watch

The Tiffany Tesoro® quartz bracelet watch in eighteen karat gold. Available with diamond bezel and marker dial and with partial diamond bezel and marker dial.

TIFFANY & Co.

NEW YORK FIFTH AVENUE LONDON 25 OLD BOND STREET
MUNICH FELDSTRASSE 11 ZURICH FAHRHOFSTRASSE 14
HONG KONG THE PENINSULA & THE LANDMARK TAIPEI THE PLAZA 675, 677, 679

Herald Tribune

Published With The New York Times and The Washington Post

Cut Missiles, Add Food

It is within George Bush's grasp to build a foundation for friendly relations with Moscow for years. But first he must complete two major pieces of unfinished business when he meets Mikhail Gorbachev in Moscow next month. One is an agreement reducing nuclear arsenals by a third. The other is emergency food aid for the Soviet people. Both items will be on Secretary of State James Baker's agenda when he meets the Soviet foreign minister, Eduard Shevardnadze, in Houston next week.

An arms accord will surely cause rejoicing in Washington and Moscow. But the reduction will not mean as much for anxious Soviet citizens preoccupied with their inability to get food. Emergency aid will not solve Moscow's shortages, but it will help prevent panic and buy time to reform the economy. It will show that Mr. Gorbachev can deliver and that Americans care. That could be as important as any cut in nuclear arms.

Three small but sticky issues have to be resolved before the two sides can sign a strategic arms reduction treaty. One is the SS-18, a Soviet heavy missile that can be armed with 10 warheads and may have the accuracy to destroy U.S. missiles in their silos. The Soviets have agreed to cut the number of SS-18s in half, to 154. But critics of the treaty want the Soviets to agree not to upgrade the remaining SS-18s, or eliminate them altogether. The critics are too late; the Soviets have already fielded a new, more accurate version of the SS-18. But as soon as this treaty is signed the two sides can move to negotiate further cuts.

Another problem, the ceiling on Soviet

Backfire bombers, has an obvious solution to anyone with a head for simple arithmetic. The Soviets are willing to limit their force to 600; the United States wants it reduced to 400. (Hint: Try 500.)

The third issue seems well on the way to sensible resolution. Washington wants nothing to interfere with future sales of nuclear arms and technology to its allies. Moscow fears that more such deals will allow the United States to circumvent treaty limits. For now, Washington and Moscow seem prepared to agree to disagree on the issue.

If an arms accord is one reassuring step that Mr. Bush and Mr. Gorbachev can take toward better relations, another would be a prompt decision by Washington to send emergency aid. Mr. Bush seems prepared to ship pharmaceuticals, but he seems strangely stubborn about food aid. America was willing to sell millions of tons of grain to the Soviet Union in Leonid Brezhnev's time. Why not give some now to the Soviet people of the Gorbachev era?

Sure, Soviet farms produce enough to feed the Soviet population, although it does not always get to market. Sure, Mr. Bush is right to insist on reforms. But there are real shortages in some cities, and they are worsening. Suppliers, anticipating higher prices, withhold goods. Local authorities, expecting shortages, do too. Panicky shoppers, grabbing little on the shelves, grab all they can. The certain knowledge that supplies are on the way could calm the hoarders and get the Soviet people through the winter.

—THE NEW YORK TIMES

Two Ban the Bomb

As Iraq and Pakistan resist international appeals to give up their nuclear weapon ambitions, it is heartening to learn that Brazil and Argentina have more sense about where their true security lies. Their elected civilian presidents, Carlos Saul Menem of Argentina and Fernando Collor de Mello of Brazil, reversing years of secret military efforts to build a bomb, signed an agreement last week renouncing the manufacture of nuclear weapons. In so doing they recognized that their nations' advancement was best assured by investing in peaceful technology instead of wasting creative energies on bomb-making that could only make them more vulnerable.

Acknowledging that they will be more secure if Latin America remains a nuclear-free zone, Presidents Menem and Collor agreed to join their neighbors in abiding by

the Treaty of Tlatelco, which bars them from acquiring, testing or deploying nuclear arms. And they pledged to open their nuclear power facilities to international inspection. Their willingness to use International Atomic Energy Agency inspectors to check on compliance with their renunciation of nuclear weapons is reassuring. The IAEA inspections could also pave the way to the signing of the Nuclear Nonproliferation Treaty. That would further reassure both states that no successor government could easily reverse this wise step.

Would-be nuclear states in other regions could learn a lesson from these two proud powers that cooperative efforts to avoid a nuclear arms race can pay off, both in providing greater security and in freeing military resources to pursue technological advance.

—THE NEW YORK TIMES

Standards for Senators

The Keating five are accused essentially of peddling their offices by interceding with federal regulators on behalf of a major savings and loan operator who had given them large political contributions. Now the sixth most senior member of the Senate, Daniel Inouye of Hawaii, has come to their defense. His argument is a variation on the familiar theme that everyone does it; that this was only normal constituent service on perhaps a grander scale; that vigorous intervention on behalf of constituents, whether contributors or not, was once upon a time regarded as a virtue and indeed the duty of senators, and would have been seen in that light here again had not the savings and loan industry gone so spectacularly bust.

Mr. Inouye called the five "men of unimpeachable character," suggested that they were being made scapegoats and warned the six members of the ethics committee sitting in judgment that it was the Senate itself that was on trial, its most fundamental practices and perhaps — in that the charge is trading influence for contributions — the current system of campaign finance.

We have little doubt that Mr. Inouye was also representing the Senate, saying in public what many senators think but lack the courage to say except in private, and on some points he is right or near enough to deserve attention. There is indeed an element of scapegoating in these proceedings, and a continuum exists between what was done in this case and what is dutifully done every day on behalf of contributors and other constituents by members of Congress. But it is possible to distinguish between points on a continuum: the fact that acceptable and unacceptable behavior may have common characteristics does not preclude judging among them.

Charles Keating was not your average constituent, nor even your average campaign contributor. Nor was this your average intervention. The contributions he gave or orchestrated came to tens of thousands of dollars — and for two of the five

senators, Alan Cranston and John Glenn, to hundreds of thousands.

At least three of the five, including the two to whom Mr. Keating gave the most, are liberal or moderate Democrats, while he has been a devoutly conservative Republican. Two of the five were from his home state of Arizona and one Senator Cranston, from the state in which his S&L operated, California. Donald Riegle's main connection to the case appears to have been that he was the chairman of the Banking Committee. Mr. Keating has made no secret of his motive in making the contributions: He wanted help. The help came notably in a meeting between four of the senators and the chairman of the Federal Home Loan Bank Board, then another between all five and regulators from the field who felt that Mr. Keating was taking his S&L onto thin ice. (It subsequently failed, at a likely cost to the government of more than \$2 billion.)

Everyone understood what the regulators were about. The clear sense of the regulators was that the senators' purpose was to induce them to back off. Question: Is that wrong, and if the answer is yes, what exactly makes it so? Is all pressure wrong? All pressure on behalf of contributors? Or is it only large contributors, or pressure in certain regulatory proceedings? The line is hard to draw, and some would rather take refuge in an appearance standard: The five allowed it to look as if they had been bought.

But that is too fickle a standard. What was done in this case did not just appear wrong; it was wrong, and the committee can find the basis if it wants to. Mr. Inouye is right, though not quite in the way he meant. The Senate is on trial. If what went on here — the muscling of a sensitive regulatory agency on behalf of an aggressive political contributor — is not a violation of its rules, it is hard to imagine what is. Yes, the Senate has a representative function, and yes, senators ought to change the system of campaign finance, but that is not all that is required.

—THE WASHINGTON POST

Other Comment

Another Meaning of Jan. 15

It would be impossible to imagine that the Bush administration did not know what it was doing when it chose or agreed to Jan. 15 as D-Day in the Gulf. The day by which Saddam Hussein must remove his troops from Kuwait or see the Middle East explode into a conflagration of disaster is a day more than passing importance in the United States. In fact, the choice of Jan. 15 as a date of ultimatum for war could hardly have been more ironic. Jan. 15 is Martin Luther King

Day, Martin Luther King Jr. was America's Gandhi. More than any other patriot, he represents nonviolent confrontation and the peaceful resolution of nearly irreconcilable differences. It was his disarming technique of aggression that ended the timeless supremacy of institutional racism in the South. To supplant this day of peace with a day celebrating the threat of annihilation by fire is an injustice and a terribly sad commentary on the times. It does not bode well for a peaceful solution to the invasion of Kuwait.

—The Westerly (Rhode Island) Sun

INTERNATIONAL HERALD TRIBUNE

JOHN HAY WHITNEY, Chairman 1988-1992

KATHARINE GRAHAM, ARTHUR OCHS SULZBERGER Co-Chairman

LEE W. HUBNER, Publisher

JOHN VINOCUR, Executive Editor • WALTER WELLS, News Editor • SAMUEL ABE, KATHERINE KNORR, and CHARLES MITCHELL, Deputy Editors • ROBERT J. DONAHUE, Deputy Editor • REGINALD DALE, Associate and Financial Editor

RENÉ BONDY, Deputy Publisher • RICHARD H. MORGAN, Executive Publisher • FRANCIS DESMAISON, Associate Director • JUANITA CASPARI, Advertising Sales Director • ROBERT FARRÉ, Circulation Director, Europe • KOURT HOWELL, Director, Information Systems

International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92211 Neuilly-sur-Seine, France. Tel: (1) 46 37 93 00. Telex: Advertising, 612395; Circulation, 612832; Editorial, 612718; Production, 630698.

Directeur de la publication: Richard D. Simmons

Editor for Asia: Michael Richardson, 5 Conventry Rd., Singapore 2011. Tel: 472-7768. Telex: RS26928. Mr. Dr. A. Rolf D. Knappe, 30 Glenview Rd., Hong Kong. Tel: 8640846. Telex: 61170. Mr. Dr. A. L. Garry Thorne, 63 Long Acre, London WC2E. Tel: 836-4802. Telex: 262009. Gen. Mgr. Germany: W. Lauterbach, Friedrichstr. 15, 1000 Frankfurt/M. Tel: (069) 726753. Telex: 416721. Pres. U.S.: Michael Corry, 890 Third Ave., New York, N.Y. 10022. Tel: (212) 753-3890. Telex: 47175. S.A. au capital de 1.200.000 F. RCS Nanterre B 32021126. Commission Paritaire No 6157. © 1990, International Herald Tribune. All rights reserved. ISSN: 0294-8052.

Arabs and Israelis: Reverse the Priorities

By Robert B. Goldmann

NEW YORK — Looking past the Gulf crisis, some influential figures foresee a changed atmosphere that would allow new approaches to old problems. The first step remains Iraq's withdrawal from Kuwait. There can be no linkage, no conditional relationship between Iraqi respect of United Nations resolutions and other issues. Yet there is also no doubting that, if and when the Gulf crisis is resolved on terms that undo the aggression and immunize the region against new

If matters moved in this direction, the response in Israel would be quick and decisive.

outrages from Baghdad, opportunities for tackling other issues are likely to emerge.

President François Mitterrand of France speaks of "everything being possible" once Saddam Hussein withdraws from Kuwait and meets the other requirements of the world community. Senator Sam Nunn, chairman of the Armed Services Committee of the U.S. Senate, sees a need to attack "the chronic ills of the Middle East beyond the Gulf crisis." Out of the crisis "could come a coalition of Arab states willing to pursue peace directly with Israel."

The senator put his finger on a problem that has been the main stumbling block to resolving the Arab-Israeli conflict. Current efforts center on solving the Palestinian problem. While this is the issue that occupies front pages, what is the bloodshed and anger on both sides, it is only part of the broader Arab-Israeli conflict.

Pursuing peace directly, as Mr. Nunn envisages, requires that the Arab states recognize Israel. The first to take this fundamental step

might be those states that do not border on Israel and have no territorial claims or direct geographical involvement with the Palestinian problem, such as the Gulf countries. These, too, are states with which the West has developed a closer relationship since the Iraqi seizure of Kuwait.

The Soviet Union has understood that a normalization of relations with Israel is essential to progress in stabilizing the region. In the last few years, Soviet and Israeli envoys have established themselves in both countries and achieved a relationship just one step short of formal recognition.

Recognition of a government, of course, does not imply approval of its policies. Even today, in the midst of a crisis in which half a million Western and Arab forces will soon be massed opposite an equal number of Iraqi troops, the embassies of Iraq remain open and functioning in most countries, and vice versa.

The position of the Arab states, expressed or implied, is that they will not recognize Israel as long as "the Zionist entity occupies Arab land." The only Arab state that did make peace, Egypt, was ostracized for years by the other Arab states.

This attitude, particularly in Arab capitals that have no direct border or other contacts with Israel, is a basic question of confidence in the Israeli public. The lack of confidence goes deeper than the policies of a particular government. Many people in Israel do not support certain policies of the Shamir administration but still, as one hears on all sides, "don't trust the Arabs."

Why, many Israelis ask, don't the Arab states at least recognize us diplomatically? They don't have to like us, and chances are it will be a long time before we get to like them. But by not recognizing us they tell us that they still have not

accepted us in the region, that they still hope some way will be found to get rid of us. So how can we have confidence in a peace process that demands substantial territorial sacrifices?

Current priorities should be reversed: Instead of starting with the most sensitive problem, that of the Palestinians and the occupied territories, the first step should be Arab acceptance of Israel as a fact of life, through diplomatic recognition. Unless Arab governments still harbor hopes of eliminating Israel, there is little they would lose by such a step, and much for everyone to gain.

The confidence that would be created in Israel, the ensuing likelihood of direct negotiations, and the greater leverage for assistance by the United States and possibly the Soviet Union and other mediators would add up to a giant step forward. The Palestinian problem is the tip of the iceberg. Palestinians who give their lives or become casualties or prisoners are the victims of a dispute that goes far deeper than the future of the West Bank and Gaza. The Palestinians must hear from voices they trust that they will not be sacrificed, and that Arab recognition of Israel is not a concession but rather a condition for meeting Palestinian aspirations and creating a more just and livable situation in the region.

They must hear it from the United States and other Western countries; they must hear it from the Soviet Union. Most important, they must hear it from the leaders of Arab states and the Palestinian movement. There is no question but that, if matters moved in this direction, the response in Israel would be quick and decisive. Israel's democratic institutions would express such a response convincingly.

The writer, European representative of the Anti-Defamation League of B'nai B'rith, contributed this column to the International Herald Tribune.

Bush's Extra Mile Will Need Some Road Signals

By Jim Hoagland

WASHINGTON — The "extra mile" that George Bush offers to walk to get Iraq's occupation army out of Kuwait without war is a long and risky distance. The president must stick to the road map that he sketched in his surprise offer to talk to Iraq, and avoid a strategic trap of negotiations that sap the will of America and its allies in the confrontation with Saddam Hussein.

Mr. Bush's extra-mile maneuver was politically adroit and probably diplomatically necessary to obtain United Nations support for the use of force. But it will be seen by the Iraqi dictator as a sign of American weakness to be exploited. He has fooled Mr. Bush before. He will surely try to do so again. He will employ the president's offer to buy time, as he showed by immediately conditioning his acceptance on mixing the Palestinian-Israeli conflict into the talks on Kuwait.

Thus began the negotiations about negotiations — the gray area of crisis diplomacy that Henry Kissinger on Nov. 28 warned against in Senate hearings. Mr. Kissinger predicted that Saddam would seek such talks to start "a protracted process in which it can never be shown that success is impossible, but in which at the same time success is never quite reached."

But it was Mr. Bush who sprang the talks initiative two days later, after obtaining the UN resolution on force. The power to run the crisis shifts now from Secretary of Defense Dick Cheney and General Colin Powell to Secretary of State Jim Baker, a deal-maker by trade and inclination and Mr. Kissinger's cleverest successor at Foggy Bottom.

The White House and Mr. Baker will successfully resist Saddam's demand to put the Palestinians on the U.S.-Iraq agenda now. Saddam's commitment to that cause is skin deep and he will jettison it for any good excuse that comes along. His duplicity was detailed in a stunning account by Judith Miller of The New York Times last month, disclosing that even Palestinians are now beginning to oppose Saddam's war because of the brutal treatment they have received in occupied Kuwait.

But in turning down that demand, Mr. Bush will be asked to give up something in return so as to look "reasonable" to U.S. and world opinion. It may "only" be the clever fine print that Mr. Bush put into his invitation to

Iraqi Foreign Minister Tariq Aziz to come to Washington: Mr. Aziz would be required to sit down with America's coalition partners in the Gulf — presumably including Kuwait.

By withdrawing his own condition, Mr. Bush would start a process of responding to Saddam's concerns about "face" that will lead to more important splittings of differences. It is possible that eventually the president will go back to seeing Saddam as a potential partner in arranging Middle East stability.

You would think not. More importantly, the president has said he will not. The road map that he sketched is a clear one: Mr. Baker will not negotiate with Saddam in Baghdad; Mr. Baker goes as one final sign of American determination that Saddam must leave Kuwait, or face military retaliation; Mr. Aziz comes to Washington to get the same message, nothing more, nothing less.

On the weekend television talk shows, Mr. Bush was accused by some commentators of making a cynical gesture to pacify congressional critics while plotting war. Others portrayed him as losing his nerve in

front of falling polls and preparing a sellout of Kuwait and America's other allies in the Arab civil war initiated by Saddam.

My concerns run more toward the dangers of a disguised sellout, which is the greater long-term danger to world peace. But it is not inevitable. By lashing themselves to two unshakable procedural propositions, Mr. Bush and Mr. Baker can show that they remain serious in opposing Saddam's deadly aims.

The first is that they have no leeway in extending talks with Iraq beyond the UN-mandated deadline of Jan. 15. By design or otherwise, Mr. Bush and Mr. Baker have handcuffed themselves to a barrier to these talks dragging on, as Mr. Kissinger fears. They should now toss away the keys by confirming publicly and repeatedly that in no circumstance will there be an extension of the Jan. 15 deadline. Saddam withdraws totally from Kuwait and releases all foreign hostages — or faces destruction.

Secondly, Mr. Bush and Mr. Baker should look at Mr. Aziz's last trip to Moscow. Mikhail Gorbachev dressed the Iraqi diplomat down in public be-

fore and after their meeting. Tass, the official news agency, published the contents of the sharp warnings that Mr. Gorbachev delivered in the meeting while Mr. Aziz was still in town. He did not dispute that account.

The Soviets made sure that Mr. Aziz did not distort or fail to deliver all of their message to Saddam. Baghdad is a city where the messenger who brings bad news is actually, not figuratively, shot. Mr. Aziz has not survived this long by telling Saddam things he does not want to hear.

If there was ever a case in which Woodrow Wilson's idealistic idea of "open diplomacy" was appropriate, this is it. Mr. Bush and Mr. Baker can afford to do no less than the Soviets did. They should do much more. They should conduct all their diplomacy in public view, with no hidden promises, no ambiguous hints. Anything less would revive the fears and suspicions that their past misreading of Saddam Hussein created. It is partly those misreadings that got America in this mess, as the Democrats are eager to remind the electorate in 1992. Mr. Bush and Mr. Baker must overcome that legacy, not repeat it.

The Washington Post



THE BUTCHER, THE BAKER, THE CAN-DO SHTICK MAKER

Bush Is Betting His Shirt on Military Intimidation

By William Pfaff

PARIS — Once again it is the last war that is being prepared in the name of the next war. This is why President George Bush is in such trouble. He has listened uncritically to the military people who have said to him that the United States failed in Vietnam because it did not go in massively at the very start.

As a result, he has gone massively into the Gulf. Belatedly he is awakening to the fact that massive engagement produces massive commitments, which have to be redeemed. He is discovering that if commitments have not been constrained by a sound political judgment about what can reasonably be gained, as against what the costs may be, the scale of the commitment defines the scale of the possible disaster. The downside of a demand for unconditional surrender is the risk of unconditional failure.

Mr. Bush did not see the failure in the military argument. The American army went into Vietnam in 1961-62 under the influence of a decade and a half of strategic theory that seemed validated by the experience of nuclear confrontation with the Soviet Union and by the Cuban missile crisis in particular. The theory was that of bargaining through threats. It was even set forth in "escalation tables."

Measured levels of rising threats were supposed to compel an opponent to make rational assessments of gain and loss, and eventually to yield when the loss or cost to him became intolerably large. Such bargaining did take place in the Berlin crises of 1958 and 1961, and in the Cuban missile confrontation in 1962. These had all ended in a manner satisfactory to the United States.

In Vietnam it was tried again. American planners were convinced that the Vietnamese Communist lead-

ers would have to admit that the capacity of the United States to escalate was virtually unlimited. Hence, at some point the Vietnamese were expected to draw the rational conclusion that their war was no longer worth the costs, and they would call it off.

This never happened. The American army and air force, humiliated by the experience, drew the conclusion that an opposite course — a huge buildup of force and immediate infliction of great pain at the very start — would make an enemy behave "rationally" and quit. However, there is no evidence to substantiate such a theory. It ignores the same thing that the earlier application of escalation theory to Vietnam ignored: the political dimension of war.

War is a political contest as well as a military one. Intensified and concentrated violence could certainly have delayed or distorted the political upheaval in Vietnam at the source of that war, which was essentially a convulsive effort by the Vietnamese to expel foreign influences after a century and a half of foreign domination.

It was a struggle conducted with the mobilizing rationale of Marxist revolution because Marxism was the intellectually fashionable ideology of the time. It suited the purposes of the young nationalists creating the revolutionary parties of the period. It represented the integrity of their nations and was a force of the future.

No amount of violence would have won the Vietnam War for the United States — short of killing off the politically active population of the country. The escalation ladder for the Vietnamese Communists was unlimited: it went up and up. For the United States

there was a top rung, beyond which Americans would not go. Some wanted to use nuclear weapons against the Vietnamese Communists. Washington drew the line at that. It was virtually the only time it had drawn by the time the war was over. But even nuclear bombing might not have worked.

The Gulf is not Vietnam. War this time would be between conventional armies and air forces. The real political support that Saddam Hussein enjoys in Iraq and the rest of the Islamic Middle East is untested. Nonetheless, there is a political contest behind the display of force which force alone cannot resolve. Mr. Bush until now has failed to deal with this.

His deployment of massive American force is based on the identical logic, or logical fallacy, to that which underlay the use of graduated escalation in Vietnam in the 1960s. Force is supposed to compel the enemy to make the rational judgment that he can go so far and no further; and that at such a point he must preemptively surrender. We have been waiting for that surrender since August.

James Baker, a deal-maker, may understand the situation better than Mr. Bush. He wants to be president after Mr. Bush. He understands that if the Bush administration is destroyed by a war for which there is no deep American public support, he is finished, too. Thus the coming talks in Washington and Baghdad among Mr. Baker, Mr. Bush, Saddam Hussein and his foreign minister almost certainly have behind them an idea about how this situation might be defused.

It may be too late for that. Saddam Hussein may be too caught up in his own rhetorical universe to grasp how to deal with Washington. If the meet-

ings fail, the ensuing war will at least have more substantial public support in America and among the allies than otherwise would have been the case.

But the stakes are immense and have been made so by the administration's naïveté in accepting the abstract and politically innocent logic of military intimidation. If war now comes, and is anything but a brilliant success for the allied force, America's position in the world and its national morale risk devastation. Mr. Bush has bet the lot. We will see if luck is with him.

International Herald Tribune.
© Los Angeles Times Syndicate.

100, 75 AND 50 YEARS AGO

1890: Parasite Found

LONDON — Dr. Russell, senior pathologist in the Edinburgh Royal Infirmary, after studying cancer for years and testing between forty and fifty cases, has secured the parasite of the disease, traced its life and history and found that it is a fungus of the yeast type. In an interview to-day [Dec. 5] with the Edinburgh correspondent of the Herald, Dr. Russell expressed himself very cautiously and said that his discovery could not be definitely accepted until tested by others. If confirmed, doctors would know what to attack and kill.

1915: Gorizia in Ruins

ROME — The "Idea Nazionale" has received details of the bombardment of Gorizia. The Italian batteries fired chiefly on the outlying quarters and suburbs of the town. The Italian staff had no doubt been informed as to where Austrian troops were concen-

Tunneling Under Old Barriers

By Flora Lewis

PARIS — With all the talk about "new European architecture," the actual feat of engineering attracted scant attention. After a last, ceremonial burst of their drills, an English and a French worker met under the Channel last Saturday and shook hands.

"As the British say," wrote a French paper, "the Continent will no longer be an island." British papers got the name of the Frenchman wrong. The distance between the two countries still remains enormously more than 21 miles between the nearest landfalls on each side. Although they were allies in this century's two world wars, their historic enmity remains near the surface in their peoples' minds.

All the same, the Channel tunnel is a real step in the transformation of Europe, another sign of the anachronism of borders in a Continent full of diversity, ethnic assertion but mutual need. It will not be open for traffic by train, for two years, and later another tunnel may be dug for cars.

It is not true, as some literary chroniclers said, that for the first time you can cross between England and France without getting your feet wet. You could fly, for more than half a century. But going all the way out or under dry land is something new that sets the historically minded to musing.

The idea goes back nearly 200 years, to one of Napoleon's engineers. The British had visions of "Boney's" troops marching relentlessly out, bayonets at the ready, and refused to cooperate. There was another proposal in the late 19th century, and an actual start on digging earlier this century. Those attempts got nowhere.

Even so, when the decision was finally made, in the age of jets and missiles with Britain in the Common Market, a British military attaché in Paris complained that it was a serious mistake. "A real security risk."

The Channel, as it came to be called, was Prime Minister Margaret Thatcher's idea of being in Europe. In an interview once, I told her she was the senior political figure in Europe, the one most solidly based to be the real leader. She beamed. "But," I continued, "You don't want to. Why not?" She smiled. "Nobody can say I'm not European-minded," she answered with irritation. "I play a full part. Why have I accepted the Channel tunnel? What could be more European than that? There is no reason to doubt that, as usual, she was speaking her mind sincerely.

There were plans for a grand encounter with her and President François Mitterrand meeting at the first opening. But they were dropped: It is still dangerous down there. As it happened, she fell from power the week before the connection could be made, an unforeseen danger.

Now her successor, John Major, will be making his European debut in Rome next week when the Community is to start conferences preparing for an economic and monetary union, and separately for political union. He has already said that a single European currency would "not be acceptable" to Britain. But the plan is still some years away, and he is not expected to be as intransigent as his mentor.

Like the tunnel, it takes a long time to build such big projects. Once the goals are clear and the will is there, though, they eventually come to light. They show that people can change and change their world. Sometimes the movement is slow, scarcely noticeable, and the status quo seems unchangeable. Then, suddenly, all the undercurrents rush together and burst forth dramatically, irresistibly.

But opportunities fade. Britain no longer has the chance to be the major leader and shaper of the new Europe. It will be Germany, for better or worse. It can be argued that geography and economics made that inevitable, but timing and personalities played a big role, too. France, alongside Britain, leads and dislikes its shrinking role now. But it has the advantage of having grasped the chance of establishing a strong partnership with Germany when time was in its favor. The meaning of power and of security is changing, as the United States is only beginning to understand.

Even geography changes, in the sense of what can be considered nearby, what is accessible, what is valuable. The "territorial imperative," remains, but sand, or oil beneath the sand, makes a big difference in deciding behavior. The tunnel is just another example of how the world is becoming too crowded, too interlocked, to live by strict, archaic notions of sovereignty. But after all those centuries of invasions and foiled invasions, it's a welcome example that progress exists, in thoughts as in deeds.

The New York Times

Gulf Question
Can American

Editor Clout

Politicians
Area to Hindus

OPINION

A Gulf Question: What Can Americans Stand?

By George F. Will

WASHINGTON—As the smoke of battle cleared over Antietam in 1862, two noncombatants picked their way through the human carnage. They were armed not with guns but with new devices of profound importance for the future of war: cameras.

They had been sent to Maryland by Matthew Brady, at whose New York gallery there subsequently appeared an exhibit, "The Dead of Antietam." A New York Times reporter wrote: "The dead of the battlefield came up to us very rarely, even in dreams... Mr. Brady has done something to bring home to us the terrible reality and earnestness of war. If he has not brought the bodies and laid them in our doorways and along our streets, he has done something very like it."

A century later, in Indochina in the 1960s, cameras would change the relationship between war and the home front, and hence would limit the ability of democracies to have recourse to force. Saddam Hussein may have this in mind when he says, "America is not a society that can stand 10,000 casualties in one battle." America did stand it at Antietam. But that was before the graphic revolution in communication.

That revolution produced, in time, television, and a new tension between a traditional instrument of statecraft, war, and the foundation of democratic government, opinion. But that tension was a long time in coming.

Robert Hughes, the art critic, writes about the cynicism in the aftermath of The Great War, as it was known to a generation quaintly confident that the future had nothing worse in store. Mr. Hughes says people knew they had been lied to, not least by journalism: "A compliant and self-censoring press had seen to it that very little of the reality of war, not even a photo of a corpse, found its way into any French, German or British newspaper."

In 1943, Life magazine created controversy, and a new era in journalism (and in international relations), by publishing a photograph of three dead Americans on the beaches of New Guinea. America was not yet a wired nation during the Korean War, so Vietnam was the first "living room war."

All future wars will be.

Because of television, which makes war's horrors instantaneously and universally immediate, democratic leaders must take extraordinary care to prepare civilians for the facts of combat. That is a political reason (there also is a constitutional reason) why Congress should convene immediately to begin either protecting Americans from preparing them for the eruption of slaughter in their living rooms.

But suppose there is no bloodshed. Suppose economic sanctions are given



LETTERS TO THE EDITOR

Worth Losing Sleep Over

Regarding "Don't Lose Much Sleep Over the Uruguay Round" (Opinion, Nov. 28) by Susan Strange:

As the Uruguay Round nears collapse, it would be comforting to accept Professor Strange's thesis that it doesn't matter. The Economist, which she cites, does not blame the Smoot-Hawley tariff for starting the slump of the 1930s; it says it "helped turn 1930s recession into a depression." The other precipitating factors she lists (declining farm prices, the cutoff of credit and investment, the bank crisis) are all with us in some form today.

The fact that the GATT structure has not kept up with the growth in trade is no argument for leaving the creating edifice alone. The liquidity that fueled economic growth and expanded trade is now drying up. The financial disorder that is now upon us is caused in no small part by the diversion of capital to unproductive uses such as agricultural support payments and trade subsidies. On the threshold of the recession of 1990, the last thing we need is further obstacles to free trade.

The collapse of the Uruguay Round will surely lead to increasing protectionism. Indeed, it will have brought on by protectionist tendencies. The end effect will not be gobins or bageyns but increased economic misery.

ROBERT J. GEBHARDT
Lugano, Switzerland

In Niemöller's Words

The German theologian Martin Niemöller, who spent seven years in Hitler's concentration camps and narrowly escaped execution before playing a significant role in the postwar reconstruction of Germany, said this:

"In Germany they came first for the Communists, and I didn't speak up because I wasn't a Communist. Then they came for the Jews, but I didn't speak up because I wasn't a Jew. Then they came for the trade unionists, and I didn't speak up because I wasn't a trade unionist. Then they came for the Catholics, and I didn't speak up because I was a Protestant. Then they came for me, and by that time no one was left to speak up."

Is there anyone of true courage who will speak up for the Kuwaiti people? As was the case 50 years ago, world opinion seems to be tilting toward selfish short-term interests. Acquiescence in the fate of Kuwait will be a lasting judgment against those leaders of the civilized world who bury their heads in the sand.

STEVE VANNE
Geneva

A Better Deal in Arabia

It would ease the lot of military personnel in Saudi Arabia if the desert area where they are encamped were classified for the duration as a neutral area, a sort

of no-man's-land with diplomatic status, which would remove them from Saudi social and religious strictures. Should the military enter nearby towns, they would be bound by Saudi rules.

This designation would eliminate the problem of non-Islamic religious services at camp, as well as the social issues of dress, behavior and consumption of alcoholic beverages.

Since these forces are in Saudi Arabia at the request of Saudi leaders, it shouldn't be too difficult for a U.S. or UN representative to successfully negotiate such an agreement.

JEANETTE F. HUBER
London

Overdoing the Gloom

Regarding "When Poor Old America Is Red, White and Truly Blue" (Opinion, Nov. 28) by Henry Allen:

I both laughed and shuddered at Mr. Allen's comparison of America to a barroom drunk. A drunk can drink himself into oblivion. I prefer to think of America as a teenager. When she is happy she is ecstatic, but when she becomes depressed, watch out! My optimistic analogy continues with the idea that a teenager blows everything out of proportion. Teenagers, fortunately, grow up and learn to benefit from their mistakes.

LORI PRANTIL
Paris

As Times Keep Changing, Spring Still Follows Winter

By Richard Reeves

SAG HARBOR, New York — Another Thanksgiving gone. And if you believe half of what you read, this year Americans will be living on leftovers for a lot longer than a few days. America, we are told, is in deep decline, and this is to be the winter it shows, the winter of our discontent.

I don't believe it. In the worst case, it seems to me that America's glass is half full rather than half empty. Our imagination our forebears, will get here, legally or illegally. The American Dream is a force of nature, a wind on the world, because it is no longer the property and privilege of Americans only, if it ever was. It is an option for people everywhere on the globe if they feel cut out of the action at home because they were born in the wrong family or in the wrong town or failed the tests that most countries use to channel new ruling classes produced by old elite schools.

The great freedom in America is the freedom to fail — and to try again and again. You can't do that in many places. George Lang, the New York restaurateur and writer who lived in Hungary and France before coming to America in his 20s, was asked the other day what surprised him most when he arrived. His answer was that everyone he met had changed careers or professions. In Europe he had never met or heard of a single man or woman who did that.

In my own travels, the matter of relative decline was put in perspective half seriously by a middle-aged lawyer in Minneapolis, David Lebedoff, who told me that his dream as a kid was to have his own movie theater at home, to be able to watch whatever he wanted whenever he wanted. "My dream came true," he said. "I just didn't know everyone else would have the same thing."

On the question of whether American lives would be better in the future, Gary Matucha, a 33-year-old chemical engineer in Houston, where they have seen some hard times, said: "Oh, yeah. If nothing else, new technology will make it better. You lose something, too."

You lose a certain kind of security and stability. My generation lost that, or we think we did, after our lives were extended and enriched beyond imagination by new technologies — medical miracles, jet planes, air conditioning and the computer I am writing this on. Stability, though, often means nothing more than fewer options, less freedom to succeed or fail.

I haven't met many Americans over the years who want to go back to the good old days. Plumbing and penicillin, energy and enterprise are habit forming. This winter and the next, too, could be very tough for many people in the United States, but it would be foolhardy to make public policy and personal plans without remembering that spring will come to America soon enough.

Universal Press Syndicate.

Correction

An article on the opposite page yesterday gave the wrong first name to Jeffrey Sachs, the Harvard University economist and adviser to the Polish government.

GENERAL NEWS

Bid for Clout: ANC Turns to Mass Protest

By Christopher S. Wren

JOHANNESBURG — As it maneuvers for advantage before negotiations proposed by President F. W. de Klerk on the nation's future, the African National Congress has replaced its former at least rhetorical commitment to armed struggle against white minority rule with a strategy of coordinated protest marches, strikes, consumer boycotts and work stoppages.

Although protests against apartheid are not new and Mr. de Klerk has tolerated peaceful dissent since taking office, mass action, as the African National Congress's policy is called, has become a key point of contention, delaying talks between black and white leaders on a new national constitution.

From the perspective of the African National Congress, giving up mass action as a tactic would mean going into negotiations with far less political clout. For Mr. de Klerk, mass action complicates negotiations because his white electorate would see any concessions to the Congress as weakness.

Some analysts, like Ronnie Bethelheim, an economist who has studied revolutionary change, speculate that the ANC's call for mass action signals a victory for its hard-line strategists, who did not want to give up the guerrilla option, over its pragmatists, who view negotiations as the best route to a post-apartheid society.

"It is a victory which could assist strategists and racial ideologists against pragmatists on the government's side," Mr. Bethelheim wrote in the financial newspaper Business Day.

At a politically charged funeral

NEWS ANALYSIS

In Johannesburg on Sunday for a man shot by the police at an unapproved march on Nov. 17, Nelson Mandela declared that the African National Congress would not give up mass action.

"We will not trade off our mass struggle for negotiations," said Mr. Mandela, who is deputy president of the Congress.

The civil disobedience campaign has sought out flaws in Mr. de Klerk's policies of change. As Mr. Mandela keeps pointing out, he and other blacks still cannot vote and many other structures set up to enforce apartheid remain in place.

The African National Congress suspended its armed struggle, adopted in 1961 after nearly half a century of nonviolence, at the last full talks with the government on Aug. 6. In military terms, the guerrilla warfare achieved little because of a ruthlessly efficient counterinsurgency and had grown quiescent months before its suspension.

Because it cannot afford to lose credibility before it feels ready to

negotiate with the government, the African National Congress has reverted to the kind of tactics it used before the adoption of armed struggle, like the campaigns of the 1950s to defy restrictive pass laws and other apartheid legislation.

"We have reached the position where we are precisely because of mass action," Mr. Mandela told journalists on Nov. 10.

Last month, Mr. de Klerk accused the African National Congress of "a clearly defined strategy of intimidation and undermining of local authorities, regional and self-governing states."

He called it a form of violence that the African National Congress pledged to stop when it suspended the armed struggle on Aug. 6 and urged that it express dissatisfaction through the channels created in their ongoing contacts.

The mass action campaign has set complex goals, like the nonracial election of a constituent assembly and an interim government during negotiations and the collapse of black township councils created by Pretoria. The government opposes both of these goals.

The New Nation, a weekly newspaper that reflects the views of the African National Congress, insisted recently that mass action was essential to maintain pressure on the government.

"It is asking too much that, having abandoned the armed struggle

to help facilitate the process of negotiations, the ANC must now be expected to give up its sole legal and legitimate means of organizing," The New Nation said.

The Citizen, a daily tabloid that supports the government, accused the African National Congress in an editorial this week of being motivated by self-interest.

"Mass protests, marches, stayaways and boycotts, which President F. W. de Klerk says can lead to violence and are therefore unacceptable, are not simple expressions of mass feeling," the paper said. "They are organized to disrupt life as well as to demonstrate the ANC's strength so that blacks are convinced of the ANC's invincibility."

Because mass action needs community mobilization, participation tends to be enforced by unemployed youths who have intimidated those who want to go to work or shop. When rival black political groupings oppose such tactics, factional violence can result.

"There can be no denying that there have been instances of ANC supporters displaying intolerant behavior and at times even employing strong-arm methods to bully political rivals into silence," Mr. Mandela said last week in Cape Town. "We want to take this opportunity to denounce in the strongest terms any such tactics as completely contrary to ANC policy."

India Politicians In Plea to Hindus

NEW DELHI — In a rare display of political unity, India's bitterly divided governing and opposition parties jointly appealed on Wednesday to Hindu fundamentalists to abandon a fresh move at a disputed religious site scheduled to begin Thursday.

A spokesman for the Hindu groups rejected the appeal but said the program at Ayodhya, in the form of volunteering, was peaceful. But local authorities tightened security and prepared for a fresh confrontation.

Prime Minister Chandra Shekhar was joined by his predecessor and bitter foe, Vishwanath Pratap Singh, and leaders of other groups, including leftists and the right-wing Bharatiya Janata Party and the Vishwa Hindu Parishad, which are organizing the campaign, to postpone the demonstrations and resume negotiations with Muslim groups.

SEARCHING FOR AN INTERNATIONAL MANAGER? TAP YOUR BEST RESOURCE: THE IHT.

One single recruitment ad in the IHT is seen by nearly half a million people in 164 countries and on board 70 airlines. Since our readership is worldwide, you'll find that it cannot be duplicated in your local or national media.

So for recruiting managers, technicians, engineers, and specialists with extensive European and international experience, the International Herald Tribune is a unique and indispensable resource.

To place your recruitment ad in the IHT, contact Max Ferrero, Didier Brun in Paris today at: (33-1) 46.37.98.82/81.

or Sandy O'Hara in New York: (1-212) 752-3890.

Herald Tribune

DUBAI DUTY FREE...

NOTHING CAN STOP US FROM OFFERING YOU THE BEST



Oil prices have gone up. Insurance rates have risen. But at the world's finest duty free, our prices reflect a continuing commitment to our customers.

The finest collection at the world's most elegant duty free

For The World's Finest. Fly-Buy-Dubai



Saudis Pledge Aid to Egypt as Cairo Plans New Deployment

By Alan Cowell
New York Times Service

CAIRO — Saudi Arabia promised Egypt \$1.5 billion on Wednesday to offset losses from the Gulf crisis as Cairo prepared to commit more troops and armor to join the U.S.-led military buildup confronting Iraq.

The Egyptian troops, forming an armored division equipped with U.S.-supplied tanks, will join other Arab forces on the western flank of the buildup along Saudi Arabia's

border with occupied Kuwait, diplomats said. Egypt, the leading Arab opponent of Iraq's invasion of Kuwait on Aug. 2, has already sent several thousand commandos and a mechanized division to the Gulf, but it has said the crisis will cost it from \$4.5 billion to \$10 billion.

After two days of discussions here with Egyptian and Syrian officials, the Saudi foreign minister, Prince Saud al Faisal, said his country would give Egypt \$1 billion in grants and \$500 million

to finance development projects. The announcement reflected the way Saudi Arabia is diverting some of its gains from increased oil production and prices to bankroll the Arab nations allied with the United States against Iraq. The Saudis have increased oil production to meet the shortfall in world markets caused by the invasion of Kuwait, while the crisis has driven up prices. It has thus increased its oil revenues by several billion dollars a year, according to Egyptian estimates.

Some of that money is now going to finance and reward the Arab military buildup on its soil. Saudi Arabia is reported by diplomats in Damascus to have given "substantial" aid—possibly \$1 billion—to Syria in return for its commitment of an armored division of 15,000 men and 300 tanks to the anti-Iraq buildup.

Diplomats said the latest announcement of Saudi aid to Egypt coincided with the final stage of preparations for the deployment of an armored division that will re-

force Cairo's position as the biggest Arab contributor to the massing of forces in Saudi Arabia. After its peace treaty with Israel in 1979, Egypt has received billions of dollars worth of U.S. military aid. Much of its heavy equipment, including tanks and armored personnel carriers, is U.S.-made. Diplomats said the departure of the Egyptian armored division to Saudi Arabia was imminent.

Cairo's close association with the policy goals of both the United States and the Arab camp aligned

against Iraq that it leads has brought economic windfalls to offset the country's losses both from its own profound economic malaise and from the Gulf crisis. According to official estimates, Egypt's revenues from tourism are down 65 percent and revenues from Suez Canal traffic are down 20 percent, while the loss of remittances from a million Egyptian workers in Iraq and Kuwait are down by half. The combined loss of revenue is estimated at about \$4.5 billion.

Ozal Reported to Seek Bigger Role for Turkey in Gulf Crisis

By Clyde Haberman
New York Times Service

ANKARA — President Turgut Ozal is reported to have urged that Turkey send a token military force to Saudi Arabia soon and later make a Turkish air base available to the United States in the event of a war against Iraq.

Both actions would significantly increase the involvement of Turkey, Iraq's northern neighbor, in the coalition against Baghdad. But the Turkish prime minister, whose government would need to give approval, said no decision had been made.

"The conditions are changing, and if they change, we may make a

decision to send troops," the prime minister, Yildirim Akbulut, said. "It is just a possibility for now."

Mr. Ozal, the country's dominant political figure, proposed a more aggressive Turkish role at a meeting over the weekend with senior government officials, according to a report by a leading newspaper, Cumhuriyet, that was confirmed by a close associate of the president.

But Mr. Ozal's recommendations are said to have been strongly opposed by the chief of the Turkish armed forces, General Necip Toruntay, who resigned on Monday in apparent protest.

Mr. Akbulut replaced him Tuesday with the officer next in line in the military chain of command, General Dogan Gurek, who is known to share his predecessor's opinions on most matters.

This presumably includes irritation with Mr. Ozal for perceived slights against the army over the years.

Mr. Ozal's effort to involve Turkey more dramatically in the anti-Iraq coalition comes after several discussions with top American officials, including President George Bush, Secretary of State James A. Baker Jr. and Defense Secretary Dick Cheney.

According to Turkish officials, Mr. Ozal had told American officials that he could not do much

until the United Nations Security Council authorized the use of force. When this happened last week, Mr. Ozal received telephone calls from Mr. Cheney and from Mr. Bush, asking him again for further military cooperation. That led to the

confrontation with General Toruntay.

The general's resignation, an almost unheard-of action here, put into sharp focus the high-level divisions that exist over what steps, if any, the Turks should take next in the Gulf crisis.

Thus far, they have won high marks in the United States and Western Europe for swiftly closing Iraqi pipelines in their territory, enforcing the international embargo and increasing their troop strength along their border with Iraq.

ISRAEL: Stop the Iraqis

(Continued from page 1)

attention to raise the issue of Palestinian rights in the dialogue, however. Israeli officials are worried that any prospective withdrawal of Iraqi and U.S. forces from the battlefields around Kuwait would eventually leave Israel to face an un-

weakened Iraq alone. Israel has been pressing for U.S. action against Iraq's military power since early in the Gulf crisis, leading to assertions by critics that it is trying to push Washington into a war. Although denying those assertions, senior Israeli officials contend that a new Middle East war will be inevitable if Iraq is not dis-

armed. The Tel Aviv daily Haaretz interpreted Mr. Levy's message to Mr. Brown as signifying that "Israel has decided to warn the international community that a lack of determination to act against Saddam Hussein will result in Israel taking military measures."

Asked whether Israel would find a peaceful solution to the Gulf crisis unacceptable, a senior military official said: "I can live with a peaceful solution, but the question is what kind of a peaceful solution. If Saddam Hussein will finish the conflict with all the capabilities that he has now, that will be a very big question for the future."

The official said that in Israel's estimate, Mr. Bush's offer of talks had created "a euphoric mood" in Iraq. "The Iraqis do not feel squeezed like they did," he said. "They feel they have achieved some kind of victory."

GENERAL: Powell Assures U.K.

(Continued from page 1)

to deal with that, I can't give you an estimate of the number of U.S. troops or where they'd be, and a lot would depend on what role the United Nations would play. But I do think that our friends in the region would be more willing to see a somewhat higher level of capability than before.

The general, who arrived Monday and also talked with Defense Minister Tom King and senior military officials before leaving for Brussels on Wednesday, said: "If we have to use force, it comes to that, the United States intends to use overwhelming force to win decisively as quickly as possible, and with as few casualties as possible."

He said that he could not tell how long that would take, or when it might happen if Iraq did not withdraw by Jan. 15.

But, commenting on British news reports that Mr. Hussein might try to bargain his way out in exchange for territorial concessions, General Powell said, "He has to leave Kuwait—every last Iraqi soldier, and all of Kuwait."

"I frankly do not believe that President Bush or the American people would be satisfied with anything less than the complete departure of Iraqi forces," he said.

ALLIES: EC Seeks Its Own Talks

(Continued from page 1)

way, including the United States. Such a conference, Mr. Dumas said, should deal with "human rights, the exploitation of resources, disarmament, respect for the sovereignty of states and, of course, regional security."

France believes that effective international safeguards could contain Iraq's military arsenal, including its supply of chemical and

biological weapons, and prevent the country from developing nuclear weapons. The United States is more doubtful.

Under President Ronald Reagan, the U.S. sided with Israel in rejecting the idea of an international Middle East peace, but Mr. Dumas has said privately that he believed the Bush administration would endorse such a conference once Iraqi troops departed Kuwait.

BAKER: Doubts About Sanctions

(Continued from page 1)

that any talks with Iraq would be mandated by the Security Council resolutions that have been adopted since the crisis began. The Associated Press reported.

"That means no concession of territory," Mr. Bush said. "That means freedom of innocent people that are held against their will. And that means the eventual security and stability of the Gulf, although that's not specified by the resolution."

Mr. Baker was vague on what kinds of actions the alliance might take after the crisis is resolved, saying it depended on whether there was an armed conflict or a peaceful settlement. His remark seemed to be aimed at Mr. Hussein—part of an administration effort to persuade the Iraqi president that his losses would be much less if he pulls out.

"Put simply, my mission to Baghdad will be an attempt to explain to Saddam the choice he faces: comply with the objectives of the Security Council or risk disaster for Iraq," he said.

■ **Sanctions Assessed**
Michael Wines of The New York Times reported from Washington: In his testimony to the House

Armed Services Committee, Mr. Webster predicted that mounting shortages caused by the sanctions were most likely to shut down all but Iraq's energy-related and military industries by spring, "and almost certainly" by next summer.

If anything, portions of Mr. Webster's statement appeared to bolster the argument of congressional Democrats and other critics of the administration that sanctions should be given more time to work before military action is taken.

Mr. Webster neither agreed nor differed with the administration's arguments for military force. But his remarks, the most detailed public assessment to date of the embargo, nevertheless depicted an Iraq whose industry and military are inexorably withering as foreign exchange, food stocks and key manufacturing supplies dry up.

He said that the trade embargo continued to deprive Iraq of more than 90 percent of the goods and services it formerly imported from abroad, and that exports, including oil, had been virtually shut off.

Warehoused goods and other reserves are forestalling serious hardship now, but Mr. Webster said sanctions should begin to hobble Iraq's economy significantly within a few months.

The Trade Talks: Why They Matter

By Barry James
International Herald Tribune

Why should the man in the street worry about the outcome of the Uruguay Round world trade talks now taking place in Brussels? The brief answer is that if the 107-nation conference succeeds, it will set the rules for global trade between now and the end of the century, and sooner or later affect anyone buying most goods or services.

And if it fails? It would send all the wrong signals. With war threatening and recession looming, the collapse of a colossal negotiating effort stretching over four years could hardly come at a worse time.

Would there be immediate effects? Probably not. But a failure of the Uruguay Round, being held under the auspices of the General Agreement on Tariffs and Trade, would be like getting termites in your house. It would weaken the structure on which world trade is built and open the gates to protectionism. It would send the wrong signal psychologically and tempt nations into beggar-thy-neighbor policies.

Would it mean that goods become more expensive? Many would, because governments would try to protect jobs and markets at home by slapping new tariffs on the amount of trade at stake. It is possible to put a monetary value on the amount of trade at stake. Not really. That is why financial markets are not getting excited about the Uruguay Round.

Will there be winners and losers if the talks break down? In the end everybody, especially the consumer, stands to lose, but most experts agree that the developing countries would be hurt the most. If the global system of trade started coming apart, it would have to be replaced to some extent by bilateral arrangements between countries. The world might be split into warring regional trade blocs in North America, Europe and the Far East, which would ignore the interests of the poorer countries.

Why is there such a hurry to reach an agreement in Brussels? The U.S. negotiators are operating under a so-called fast-track authorization from Congress. They can do a blanket deal provided they go back to Congress before Feb. 28.

And if the deadline is missed? Then Congress would vote on the agreement line by line. It would turn into horse-trading between domestic interest groups, making it difficult if not impossible to ratify an agreement. Global concerns would go by the board.

But Feb. 28 is still two months away. Why are governments getting concerned about what is happening in Brussels this week? It is quite true that negotiations can and probably will continue next year, but the longer the process is dragged out the more of a cliff-hanger it becomes. It was hoped to get the question of agricultural subsidies out of the way in Brussels so that negotiators could move onto other aspects of the Uruguay Round, such as services, government procurement and intellectual property rights. The U.S. secretary of agriculture, Clayton K. Yeutter, has said that because of the sheer amount of paperwork involved, the draft agreement would have to be completed by January.

Why is the United States placing so much emphasis on European farm subsidies when it heavily subsidizes its own farmers? Because it would love to start phasing out its own subsidies in order to reduce the budget deficit, but cannot unless the Europeans do the same. The United States admits it sins, but accuses the European Community of being a much bigger sinner.

The European Community has offered to reduce farm subsidies by 30 percent. Surely this is a good start. It is not as good as it seems because the offer dates to when the Uruguay Round started in 1986, when EC subsidies were at their peak. The actual reduction from now would be in the region of 15 percent.

What prevents the EC from offering more? It would represent an enormous political problem for France, which has a large and heavily subsidized rural population. It is also a problem in Germany, but since Chancellor Helmut Kohl won the national elections last weekend it is not as acute there.

Would not acceptance of the U.S. argument, though, mean devastation for many rural areas in Europe? It would create hardships, undoubtedly, but what the United States and other countries are most concerned about are the export subsidies that enable EC producers to sell their goods more cheaply on world markets. This is widely seen as distorting and harmful.

The European Community does not have a united position on subsidies? No. Britain has been making a similar argument to Washington's for several years.

GATT: EC Given Trade Ultimatum

(Continued from page 1)

small. But he insisted that the talks should move forward in other areas and said farm trade was not the only item under discussion.

A U.S. Treasury spokesman, Victoria Clarke, denied an EC charge that the United States was not negotiating and asserted that Washington "is actively negotiating" on all fronts. She added that talks in many areas were stalled because "everybody is looking over their shoulder at agriculture."

[In Buenos Aires, President George Bush said he had not given up hope for an agreement in the talks, Reuters reported.]

"We are still working to get a successful conclusion of this round, and I'm not in the business of talking retaliation while people are still meeting and discussing," Mr. Bush told reporters.

A GATT official, calling the charge and countercharge "a dirty game," said the Community had been trying to pull away support from the United States by offering special trade deals to some countries. A U.S. official said, for example, that the Community offered Columbia liberal trade concessions on imports of cut flowers and coffee.

This war of words between the

United States and its closest allies occurred just hours before President Francois Mitterrand and Chancellor Helmut Kohl met for dinner in Paris with the trade talks due to be on their agenda.

There were hopes here that the leaders of the two largest EC member nations could reach some accommodation on Wednesday night that could lead to a shift in the EC position on farm trade.

Iran Mildly Criticizes UN Report on Rights

Reuters

NICOSIA — Iran mildly criticized on Wednesday a watered-down draft resolution adopted by a United Nations committee expressing concern about reported human-rights abuses in Iran.

The document adopted Tuesday omitted a reference to "executions, ill-treatment and torture" and explicit concern over the number of executions contained in an earlier draft. An Iranian Foreign Ministry spokesman, quoted by the official Iranian press agency IRNA, in a dispatch monitored here, said the draft was an improvement on the earlier version because it had dropped "baseless allegations."

HARRY WINSTON
The Ultimate Timepiece

NEW YORK 716 FIFTH AVENUE 10019 • (212) 245 0000 GENEVA 24, QUAI GENERAL GUISAN • (22) 28 36 66
PARIS 29 AVENUE MONTAIGNE • (1) 47 20 03 09 MONTE-CARLO HOTEL DE PARIS • 93 50 72 10
BEVERLY HILLS 371 N. RODEO DRIVE • (213) 271 6534 TOKYO HOTEL SEIYO • 3, GINZA-CHUO-KU • (03) 555 5431

A luxurious, useful gift for executives on the move.

The desk diary that picks up and goes with you

Half your life's story—or even more—is inscribed on the pages of your desk diary. Yet when you travel or go to meetings, most desk diaries are too cumbersome to take along.

That's why the International Herald Tribune—constantly alert to the needs of busy executives—had this desk diary especially designed for its readers. Bound in luxurious silk-grain black leather, it's perfect on your desk, offering all the noting space of any standard desk diary. Yet pick it up and you'll find it weighs a mere 340 grams (12 oz.).

No voluminous data and statistics are included in this diary, but on the other hand a removable address book saves hours of re-copying from year to year.

Diary measures 22 x 15 cm (8.5 x 6 in.), fits easily into the slimmest attaché case, and has gilt-metal corners, gold page-edges and French blue paper. Personalized with gilt initials on the cover, it's a marvelous gift for friends, business contacts and associates. (Note that quantity discounts are available.) Please allow three weeks for delivery.

Herald Tribune

International Herald Tribune, Karen Diot, Special Projects Division,
181 Avenue Charles-de-Gaulle, 92521 Neuilly Cedex, France.

INITIALS up to 3 per diary

Payment is by credit card only. All major cards accepted. (Please note that French residents may pay by check in French francs, at the current exchange rate. We regret that checks in other currencies cannot be accepted.)

Please charge to my ☐ Access ☐ Visa ☐ Amex ☐ Eurocard ☐ Diners ☐ Mastercard

Card No. _____ Exp. date _____

Signature _____

Name (in BLOCK LETTERS) _____ Address _____ City/Code/Country _____ 6-12-90

ACROSS

- 1 Speak imperfectly
- 5 Lewis's "Timberlane"
- 9 Compact
- 13 Fragrance
- 14 Andean beast
- 16 Biblical twin
- 17 Of certain wage-earning workers
- 19 Encircle
- 20 Large properties
- 21 Make a gift
- 23 Ordinal suffix
- 24 Love, in Lugor
- 26 Walter Johnson was one
- 27 Man from Bonn, to Luigi
- 31 Muscat native
- 32 Earthquake site in 1790
- 34 Small (suspect)
- 36 Prefix for lingual
- 40 Possible conclusion
- 43 Maudlin
- 44 Yesterday, in Milano
- 46 Place for a beret
- 48 Variety of chalcidion
- 49 words (retract)
- 50 Egyptian cobra
- 53 Thane's negations
- 55 Gunga
- 58 Disharmony
- 59 Do a Monday chore
- 62 Cowl
- 63 Certain refugees
- 66 Suffix with beaver
- 67 Start
- 68 Gardener's nemesis
- 69 Zeno's classroom
- 70 Cosby's TV son
- 71 Poverty
- 5 British equivalent of 17
- 6 Everybody, in Düsseldorf
- 7 Pop music of Latin American origin
- 8 Wee, to Burns
- 9 Set of three
- 10 Thai, for one
- 11 Devilish
- 12 Seattle's Sound
- 15 Zeal
- 18 Cloudier members
- 22 Pan attachment
- 25 Fully grown
- 27 Race-track habitué
- 28 Lake in Ireland
- 29 Art's art
- 30 False gold
- 32 Extremely conventional
- 35 Impersonate
- 37 Legal claim
- 38 Kind of bag or box
- 39 Model — de la Fressange
- 41 Daughter, 1970 film
- 42 Approach, as a disclosure
- 47 Sly role
- 48 Antler end
- 49 A Wimbledon champ's family
- 51 Patton portrayal
- 52 Atget product
- 54 Cut prices
- 57 Inking
- 58 Fits to —
- 59 Weapon for an Olympic contestant
- 61 U. Grant's opponent
- 64 Canadian prov
- 65 Froush of baseball fame

DOWN

- 1 Netmen's play
- 2 Run a car in neutral
- 3 Five-centime pieces
- 4 12-year-olds, e.g.
- 5 Netmen's play
- 6 Run a car in neutral
- 7 Five-centime pieces
- 8 12-year-olds, e.g.
- 9 Netmen's play
- 10 Run a car in neutral
- 11 Five-centime pieces
- 12 12-year-olds, e.g.
- 13 Netmen's play
- 14 Run a car in neutral
- 15 Five-centime pieces
- 16 12-year-olds, e.g.
- 17 Netmen's play
- 18 Run a car in neutral
- 19 Five-centime pieces
- 20 12-year-olds, e.g.
- 21 Netmen's play
- 22 Run a car in neutral
- 23 Five-centime pieces
- 24 12-year-olds, e.g.
- 25 Netmen's play
- 26 Run a car in neutral
- 27 Five-centime pieces
- 28 12-year-olds, e.g.
- 29 Netmen's play
- 30 Run a car in neutral
- 31 Five-centime pieces
- 32 12-year-olds, e.g.
- 33 Netmen's play
- 34 Run a car in neutral
- 35 Five-centime pieces
- 36 12-year-olds, e.g.
- 37 Netmen's play
- 38 Run a car in neutral
- 39 Five-centime pieces
- 40 12-year-olds, e.g.
- 41 Netmen's play
- 42 Run a car in neutral
- 43 Five-centime pieces
- 44 12-year-olds, e.g.
- 45 Netmen's play
- 46 Run a car in neutral
- 47 Five-centime pieces
- 48 12-year-olds, e.g.
- 49 Netmen's play
- 50 Run a car in neutral
- 51 Five-centime pieces
- 52 12-year-olds, e.g.
- 53 Netmen's play
- 54 Run a car in neutral
- 55 Five-centime pieces
- 56 12-year-olds, e.g.
- 57 Netmen's play
- 58 Run a car in neutral
- 59 Five-centime pieces
- 60 12-year-olds, e.g.
- 61 Netmen's play
- 62 Run a car in neutral
- 63 Five-centime pieces
- 64 12-year-olds, e.g.
- 65 Netmen's play
- 66 Run a car in neutral
- 67 Five-centime pieces
- 68 12-year-olds, e.g.
- 69 Netmen's play
- 70 Run a car in neutral
- 71 Five-centime pieces

Solution to Previous Puzzle

EBBS IRAN BASH
CRANE TORO ALTO
HEROD STIR RIAL
OTTOGRAHAM NID
STET ASKERS
EDIT ENTENTE
MEATIOUS ENJOY
MARTIA INS STOLE
ADREM SEEM SEAL
REVERSE NFL
GRASSE NASSA
RAT SIDLUCKMAN
AIRS TRIO CEASE
ISIS EARS TETES
LAPS DEES THAT

New York Times, edited by Eugene Malachuk.

سكاي من الاموال

Asprey

PRESENTS FROM DECEMBER 7TH TO 24TH

THE GREATEST SWISS WRIST WATCH EVER MADE



Platinum 950

Never before had anyone made a wrist watch like this one. Since it ranks as the crowning achievement of a demanding craft, embodying centuries of horological tradition, Blancpain has named it "1735". This watch combines into one and the same timepiece all six classic masterpieces of the watchmaker's art:

- the ultra-slim watch
- the moon-phase watch
- the perpetual calendar
- the split-second chronograph
- the tourbillon
- the minute repeater

The company's master watchmakers have invested more than six years of their time to create this little masterpiece, expertly fashioning and assembling the nearly seven hundred individual parts of its impressively intricate 18 Kt gold movement. Only platinum, the king of metals, was deemed worthy of encasing this exceptional achievement. A formal notarized pledge sets a definitive limit of thirty to the number of platinum-case "1735" wrist watches that Blancpain will ever produce.

BLANCPAIN

THE SIX MASTERPIECES OF THE WATCHMAKER'S ART

In a further, exceptional development, Blancpain today makes and sells as a set the six classic masterpieces of the watchmaker's art



1. ULTRA-SLIM WATCH



2. MOON-PHASE WATCH



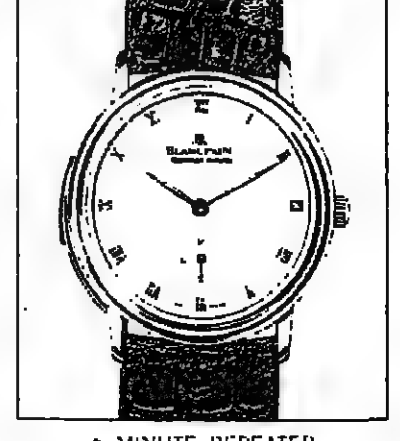
3. PERPETUAL CALENDAR



4. SPLIT-SECOND CHRONOGRAPH



5. TOURBILLON



6. MINUTE REPEATER

Please contact Mr. Andrew Churchill for details
ASPREY, 165-169 New Bond Street, London, W1Y 0AR. Tel. 071-493 6767

NYSE

Wednesday's Closing
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

12 Month High	Low	Stock	Div. Yield	PE	100 Day High	Low	1 Year Change
12.50	12.00	AA	1.25	15.0	12.50	12.00	+0.50
12.50	12.00	AA	1.25	15.0	12.50	12.00	+0.50
12.50	12.00	AA	1.25	15.0	12.50	12.00	+0.50
12.50	12.00	AA	1.25	15.0	12.50	12.00	+0.50
12.50	12.00	AA	1.25	15.0	12.50	12.00	+0.50
12.50	12.00	AA	1.25	15.0	12.50	12.00	+0.50
12.50	12.00	AA	1.25	15.0	12.50	12.00	+0.50
12.50	12.00	AA	1.25	15.0	12.50	12.00	+0.50
12.50	12.00	AA	1.25	15.0	12.50	12.00	+0.50
12.50	12.00	AA	1.25	15.0	12.50	12.00	+0.50

12 Month High	Low	Stock	Div. Yield	PE	100 Day High	Low	1 Year Change
12.50	12.00	AA	1.25	15.0	12.50	12.00	+0.50
12.50	12.00	AA	1.25	15.0	12.50	12.00	+0.50
12.50	12.00	AA	1.25	15.0	12.50	12.00	+0.50
12.50	12.00	AA	1.25	15.0	12.50	12.00	+0.50
12.50	12.00	AA	1.25	15.0	12.50	12.00	+0.50
12.50	12.00	AA	1.25	15.0	12.50	12.00	+0.50
12.50	12.00	AA	1.25	15.0	12.50	12.00	+0.50
12.50	12.00	AA	1.25	15.0	12.50	12.00	+0.50
12.50	12.00	AA	1.25	15.0	12.50	12.00	+0.50
12.50	12.00	AA	1.25	15.0	12.50	12.00	+0.50

12 Month High	Low	Stock	Div. Yield	PE	100 Day High	Low	1 Year Change
12.50	12.00	AA	1.25	15.0	12.50	12.00	+0.50
12.50	12.00	AA	1.25	15.0	12.50	12.00	+0.50
12.50	12.00	AA	1.25	15.0	12.50	12.00	+0.50
12.50	12.00	AA	1.25	15.0	12.50	12.00	+0.50
12.50	12.00	AA	1.25	15.0	12.50	12.00	+0.50
12.50	12.00	AA	1.25	15.0	12.50	12.00	+0.50
12.50	12.00	AA	1.25	15.0	12.50	12.00	+0.50
12.50	12.00	AA	1.25	15.0	12.50	12.00	+0.50
12.50	12.00	AA	1.25	15.0	12.50	12.00	+0.50
12.50	12.00	AA	1.25	15.0	12.50	12.00	+0.50

12 Month High	Low	Stock	Div. Yield	PE	100 Day High	Low	1 Year Change
12.50	12.00	AA	1.25	15.0	12.50	12.00	+0.50
12.50	12.00	AA	1.25	15.0	12.50	12.00	+0.50
12.50	12.00	AA	1.25	15.0	12.50	12.00	+0.50
12.50	12.00	AA	1.25	15.0	12.50	12.00	+0.50
12.50	12.00	AA	1.25	15.0	12.50	12.00	+0.50
12.50	12.00	AA	1.25	15.0	12.50	12.00	+0.50
12.50	12.00	AA	1.25	15.0	12.50	12.00	+0.50
12.50	12.00	AA	1.25	15.0	12.50	12.00	+0.50
12.50	12.00	AA	1.25	15.0	12.50	12.00	+0.50
12.50	12.00	AA	1.25	15.0	12.50	12.00	+0.50

12 Month High	Low	Stock	Div. Yield	PE	100 Day High	Low	1 Year Change
12.50	12.00	AA	1.25	15.0	12.50	12.00	+0.50
12.50	12.00	AA	1.25	15.0	12.50	12.00	+0.50
12.50	12.00	AA	1.25	15.0	12.50	12.00	+0.50
12.50	12.00	AA	1.25	15.0	12.50	12.00	+0.50
12.50	12.00	AA	1.25	15.0	12.50	12.00	+0.50
12.50	12.00	AA	1.25	15.0	12.50	12.00	+0.50
12.50	12.00	AA	1.25	15.0	12.50	12.00	+0.50
12.50	12.00	AA	1.25	15.0	12.50	12.00	+0.50
12.50	12.00	AA	1.25	15.0	12.50	12.00	+0.50
12.50	12.00	AA	1.25	15.0	12.50	12.00	+0.50

12 Month High	Low	Stock	Div. Yield	PE	100 Day High	Low	1 Year Change
12.50	12.00	AA	1.25	15.0	12.50	12.00	+0.50
12.50	12.00	AA	1.25	15.0	12.50	12.00	+0.50
12.50	12.00	AA	1.25	15.0	12.50	12.00	+0.50
12.50	12.00	AA	1.25	15.0	12.50	12.00	+0.50
12.50	12.00	AA	1.25	15.0	12.50	12.00	+0.50
12.50	12.00	AA	1.25	15.0	12.50	12.00	+0.50
12.50	12.00	AA	1.25	15.0	12.50	12.00	+0.50
12.50	12.00	AA	1.25	15.0	12.50	12.00	+0.50
12.50	12.00	AA	1.25	15.0	12.50	12.00	+0.50
12.50	12.00	AA	1.25	15.0	12.50	12.00	+0.50

FEBRUARY 1991

11 MONDAY

12 TUESDAY

8.00

9.00

10.00

11.00

12.00

1.00

2.00

3.00

4.00

5.00

6.00

EVENING

**Economic & Monetary Union:
Business & the Single Currency
Inter-Continental Hotel
London**

MARK YOUR CALENDAR!

And join us for the Economic & Monetary Union conference at the Inter-Continental Hotel in London on February 12, 1991.

The conference, co-sponsored by the International Herald Tribune and the Association for the Monetary Union of Europe, will assist senior management from the business and finance sectors to determine their strategies as Europe moves toward economic and monetary union.

The distinguished group of speakers will include:
Sir Michael Butler, Executive Director, Hambros Bank Ltd., London
Brian P. Garraway, Deputy Chairman, B.A.T. Industries plc, London
Elisabeth Guigou, Minister for European Affairs, France
Wim Kok, Deputy Prime Minister & Minister of Finance, The Netherlands
Giovanni Ravasio, Director General, Economic & Financial Affairs, European Commission, Brussels

Prof. Dr. Norbert Walter, Chief Economist, Deutsche Bank, Frankfurt
Tommaso Zanotto, President, TRS International, American Express Travel Related Services Co., New York

FOR FURTHER INFORMATION
Please contact: Jane Blackmore, International Herald Tribune,
63 Long Acre, London WC2E 9JH.
Tel (44 71) 836 48 02 Fax (44 71) 836 07 17



Herald Tribune

1500 1500

12 Month High	Low	Stock	Div. Yield	PE	100 Day High	Low	1 Year Change
12.50	12.00	AA	1.25	15.0	12.50	12.00	+0.50
12.50	12.00	AA	1.25	15.0	12.50	12.00	+0.50
12.50	12.00	AA	1.25	15.0	12.50	12.00	+0.50
12.50	12.00	AA	1.25	15.0	12.50	12.00	+0.50
12.50	12.00	AA	1.25	15.0	12.50	12.00	+0.50
12.50	12.00	AA	1.25	15.0	12.50	12.00	+0.50
12.50	12.00	AA	1.25	15.0	12.50	12.00	+0.50
12.50	12.00	AA	1.25	15.0	12.50	12.00	+0.50
12.50	12.00	AA	1.25	15.0	12.50	12.00	+0.50
12.50	12.00	AA	1.25	15.0	12.50	12.00	+0.50

12 Month High	Low	Stock	Div. Yield	PE	100 Day High	Low	1 Year Change
12.50	12.00	AA	1.25	15.0	12.50	12.00	+0.50
12.50	12.00	AA	1.25	15.0	12.50	12.00	+0.50
12.50	12.00	AA	1.25	15.0	12.50	12.00	+0.50
12.50	12.00	AA	1.25	15.0	12.50	12.00	+0.50
12.50	12.00	AA	1.25	15.0	12.50	12.00	+0.50
12.50	12.00	AA	1.25	15.0	12.50	12.00	+0.50
12.50	12.00	AA	1.25	15.0	12.50	12.00	+0.50
12.50	12.00	AA	1.25	15.0	12.50	12.00	+0.50
12.50	12.00	AA	1.25	15.0	12.50	12.00	+0.50
12.50	12.00	AA	1.25	15.0	12.50	12.00	+0.50

12 Month High	Low	Stock	Div. Yield	PE	100 Day High	Low	1 Year Change
12.50	12.00	AA	1.25	15.0	12.50	12.00	+0.50
12.50	12.00	AA	1.25	15.0	12.50	12.00	+0.50
12.50	12.00	AA	1.25	15.0	12.50	12.00	+0.50
12.50	12.00	AA	1.25	15.0	12.50	12.00	+0.50
12.50	12.00	AA	1.25	15.0	12.50	12.00	+0.50
12.50	12.00	AA	1.25	15.0	12.50	12.00	+0.50
12.50	12.00	AA	1.25	15.0	12.50	12.00	+0.50
12.50	12.00	AA	1.25	15.0	12.50	12.00	+0.50
12.50	12.00	AA	1.25	15.0	12.50	12.00	+0.50
12.50	12.00	AA	1.25	15.0	12.50	12.00	+0.50

(Continued on Page 15)

NYSE High-Lows

NEW HIGHS	NEW LOWS
Alcoa	AT&T
Amgen	Boeing
Amgen	Boeing
Amgen	Boeing
Amgen	Boeing
Amgen	Boeing
Amgen	Boeing
Amgen	Boeing
Amgen	Boeing
Amgen	Boeing
Amgen	Boeing

AMEX High-Lows

NEW HIGHS	NEW LOWS
Amgen	AT&T
Amgen	Boeing
Amgen	Boeing
Amgen	Boeing
Amgen	Boeing
Amgen	Boeing
Amgen	Boeing
Amgen	Boeing
Amgen	Boeing
Amgen	Boeing
Amgen	Boeing

For investment information
read THE MONEY REPORT
every Saturday in the IHT

Malaysia to Screen Investors

door policy toward investment is going to become more selective and sophisticated to upgrade both technology and productivity," Mr. Kamal said.

International Health Ties

Financial advisor
ALPHA FINANCE

[illegible]

